



 **GOR** Global One Real Estate Investment Corp.
Global One Real Estate Investment Corp.
(8958)

Financial Results for the Six-Month Period Ended March 2019 (the 31st Period) (Explanatory Material)

21 May 2019

 **GAR** Global Alliance Realty Co.,Ltd.
Global Alliance Realty

Portfolio (as of 18 April 2019)

Selective investment in high-quality office buildings which are closer to nearby stations, newly or recently built and large in size.

| | | GOR | Average of other office REITs |
|---------------|------------------------------|-----------------------|-------------------------------|
| CLOSER | Walking distance: 0 - 5 min. | 100.0% | 79.3% |
| | | | |
| NEWER | Average building age | 15.1 years | 22.3 years |
| | Portfolio PML | 1.9% | 2.0% |
| LARGER | Average acquisition price | 17.3 billion yen | 8.7 billion yen |
| | Average gross leasable area | 12,014 m ² | 8,737 m ² |

Major three metropolitan areas other than Tokyo Metropolitan Area

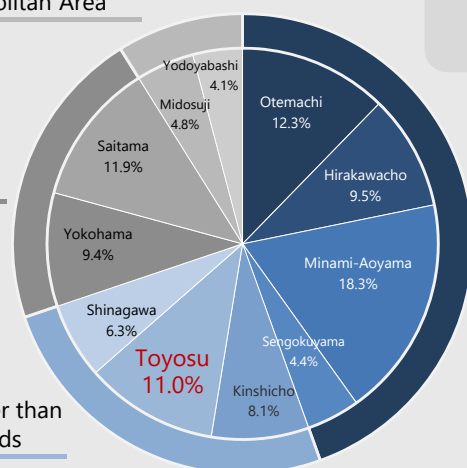
8.9%

Tokyo suburban areas

21.3%

Tokyo 23 Wards other than the central 5 Wards

25.3%



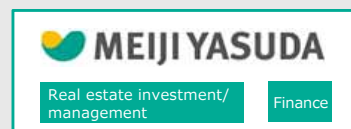
Total acquisition price
**11 properties,
191.1 billion yen**

Tokyo Central
5 Wards
44.5%

Financial Base and Sponsors (as of 31 March 2019)

Solid financial base supported by financial sponsors

| | | |
|---|-----------------------|------------------|
| LTV (Interest-bearing debt / total assets) | Book value basis | 49.4% |
| | Appraisal value basis | 42.5% |
| Ratio of long-term / fixed interest-bearing liabilities | | 89.9% |
| Average financing term | | 6.4 years |
| Average interest rate | | 0.71% |
| Rating | | AA- Stable (JCR) |



Provides expertise in real estate investment and management



Provides expertise in the financial and trust businesses



Provides expertise in real estate investment and management



Japan Credit Rating Agency, Ltd. (JCR)
Long-term Issuer Rating

AA-
(Stable)

[Asset Manager]



(*) "Other office REITs" refers to J-REITs (excluding GOR) which have an investment policy where 70% or a higher percentage (based on acquisition prices) of funds are allocated to commercial real estate of which main use is office. Average figures are calculated based on figures indicated in the most recent disclosure materials of each REIT that could be confirmed as of 31 March 2019.

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The following abbreviations will be used for the following pages:

"GOR" = Global One Real Estate Investment Corporation

"GAR" = Global Alliance Realty Co., Ltd.

"Otemachi" = Otemachi First Square

"Hirakawacho" = Hirakawacho Mori Tower

"Ginza" = Ginza First Building

"Minami-Aoyama" = TK Minami-Aoyama Building

"Sengokuyama" = ARK Hills Sengokuyama Mori Tower

"Kinshicho" = Arca Central

"Toyosu" = HULIC Toyosu Prime Square

"Shinagawa" = Shinagawa Seaside West Tower

"Yokohama" = Yokohama Plaza Building

"Saitama" = Meiji Yasuda Life Insurance Saitama-Shintoshin Building

"Midosuji" = Meiji Yasuda Life Insurance Osaka Midosuji Building

"Yodoyabashi" = Yodoyabashi Flex Tower

Unless otherwise indicated, amounts are rounded down and percentages, number of years, walking time to the station and areas are rounded.

The impacts of the following splits of investment units are taken into consideration for "After split(s)" or "Adjusted after split(s)" in the material.

- 2-for-1 split of investment units with 1 April 2014 as the effective date
- 4-for-1 split of investment units with 1 April 2018 as the effective date



I Preface

Efforts to Increase Unitholder Value ①

| | 31st Period/Actual performance in April | Future efforts |
|---------------------------|--|---|
| Internal growth | <ul style="list-style-type: none"> Increased dividends for the seventh consecutive period <p>30th Period: 2,136 yen → 31st Period: 2,192 yen (+2.6%)</p> <ul style="list-style-type: none"> Found a succeeding tenant who will contribute to rent increase at Minami-Aoyama Expecting upward rent revision for the tenth consecutive period (*2) | <ul style="list-style-type: none"> With the interim goal for dividends of 2,250 yen expected to be reached, aim for the mid-2,300 yen range going forward Increase NOI yield by eliminating the rent gap <p>Maintain/improve occupancy rate Continue to increase rent</p> <p>Raise portfolio NOI return to the lower 4% range</p> <ul style="list-style-type: none"> Further promote sustainability to participate in GRESB |
| External growth | <ul style="list-style-type: none"> Implemented strategic asset replacement that leads to enhancement of the portfolio quality through a buy-and-sell style Acquired Toyosu, which satisfies three criteria of "closer," "newer" and "larger," along with the transfer of Ginza to promote expansion of the asset size to stabilize revenues <p>Asset size (based on acquisition price): 182.4 billion yen → 191.1 billion yen</p> | <ul style="list-style-type: none"> Asset replacement to enhance portfolio quality <p>Continue to discuss replacement with properties that can expect improved revenues over the medium to long term</p> <ul style="list-style-type: none"> Expand portfolio to stabilize revenues by continuing to make selective investments <p>Acquire quality properties flexibly by creating the capacity to acquire properties through lowering of LTV Sourcing drawing upon both the sponsor, etc. route and independent route</p> <ul style="list-style-type: none"> Continue to aim to be included in global indices |
| Financial management / IR | <ul style="list-style-type: none"> Lowered LTV through public offering <p>LTV (book value) 49.4% (End of Mar. 2019) → 47.1% (forecast for after PO) LTV (book value) Capacity to acquire properties is 11.8 billion yen before LTV reaching 50%</p> <ul style="list-style-type: none"> Plan to allocate part of gain on sale to internal reserves to stabilize dividends <p>Balance of reserve for reduction entry: 291 million yen → 545 million yen (forecast)</p> <ul style="list-style-type: none"> Promoted extension of financing terms and reduction of financing costs through refinancing Revamped the website (See page 73) and held information sessions for individual investors several times | <ul style="list-style-type: none"> Promote extension of financing terms and diversification of due dates Flexible LTV control responding to the real estate market conditions and financial environment Continue to discuss measures to maximize unitholder value while taking into account the changes in the market environment and constructive dialogue with investors |

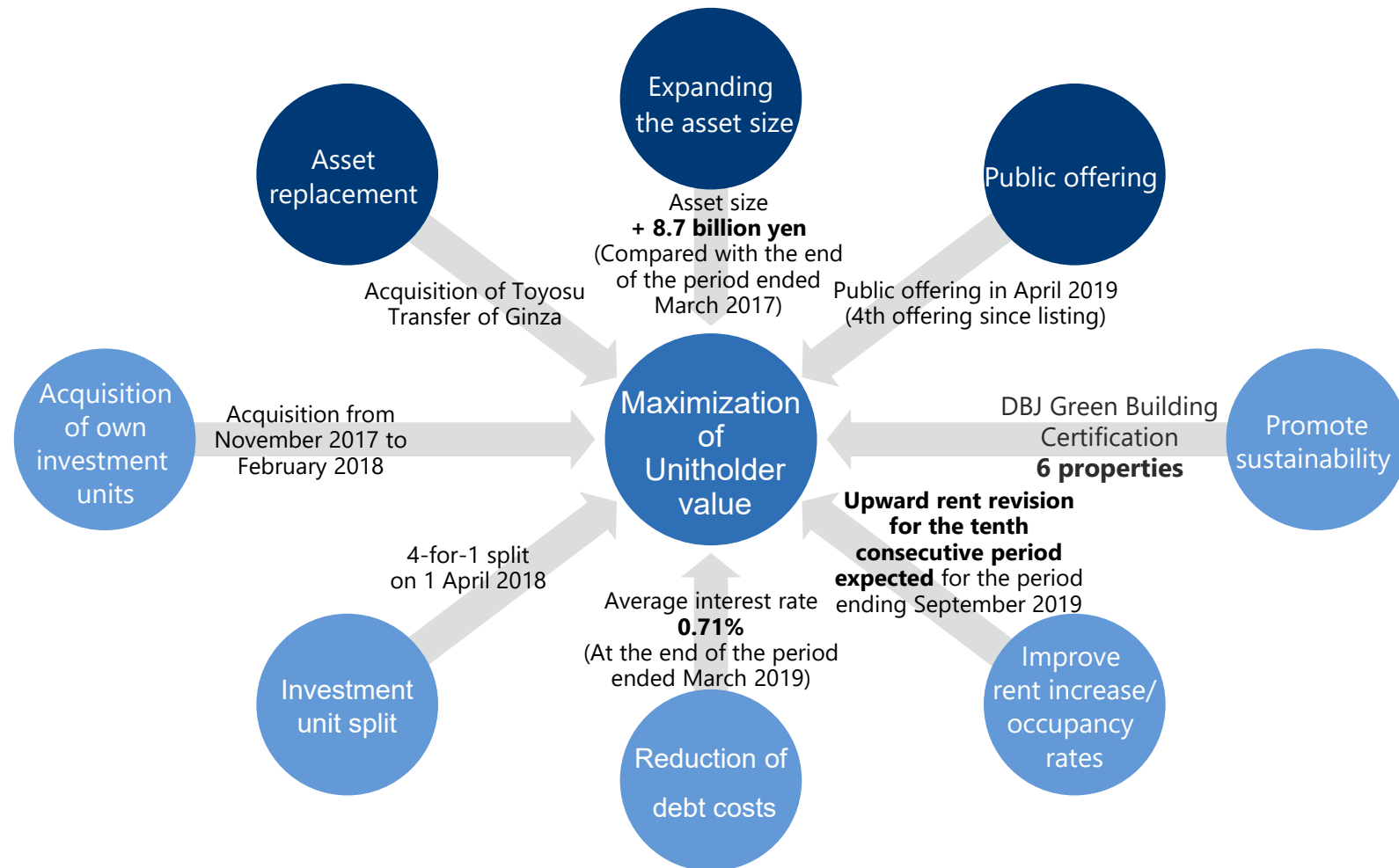
(*1) "Dividends" refers to dividend per unit.

(*2) Stated as "tenth consecutive period," including forecast for the period ending September 2019.

Efforts to Increase Unitholder Value ①

- Conducted public offering and asset replacement in April 2019; enhanced unitholder value through various measures

- ◆ Actual implementation of various measures drawn up after the previous public offering (in March 2017)





II Financial Results

1. Financial Highlights

■ As DPU are expected to reach 2,250 yen, aim for the mid-2,300 yen range going forward

| | | 30th Period Sep. '18 | 31st Period Mar. '19 | 32nd Period Sep. '19 (*5) | 33rd Period Mar. '20 (*5) |
|--|-------------|-------------------------|-------------------------|---------------------------------|---------------------------------|
| I/S - Dividends | | | | | |
| Operating revenue = Property-related revenues | million yen | 5,202 (5,202) | 5,224 (5,224) | 6,175 (5,519) | 5,785 (5,785) |
| Operating profit (Property-related profit) | million yen | 2,320 (2,819) | 2,373 (2,878) | 3,026 (2,958) | 2,594 (3,144) |
| Net income | million yen | 1,891 | 1,941 | 2,560 | 2,174 |
| Total number of investment units issued | Units | 885,684 | 885,684 | 961,884 | 961,884 |
| FFO per unit (*1) | yen | 3,028 | 3,098 | 2,860 | 3,153 |
| Dividend per unit | yen | 2,136 | 2,192 | 2,398 | 2,261 |
| Portfolio | | | | | |
| NOI return (*2) | % | 4.0 | 4.0 | 4.0 | 4.2 |
| Term-end occupancy rate | % | 98.8 | 99.7 | 99.7 | 98.8 |
| Others | | | | | |
| Term-end total assets | million yen | 190,752 | 191,231 | | |
| Interest-bearing liabilities | million yen | 94,500 | 94,500 | | |
| Unrealized gain/loss | million yen | 25,659 | 31,183 | | |
| LTV (book value) (*3) | % | 49.5 | 49.4 | | |
| LTV (appraisal value) (*4) | % | 43.7 | 42.5 | | |

(*1) FFO per unit = (net income + depreciation and amortization – gain and loss on sale of real estate) ÷ total number of investment units issued

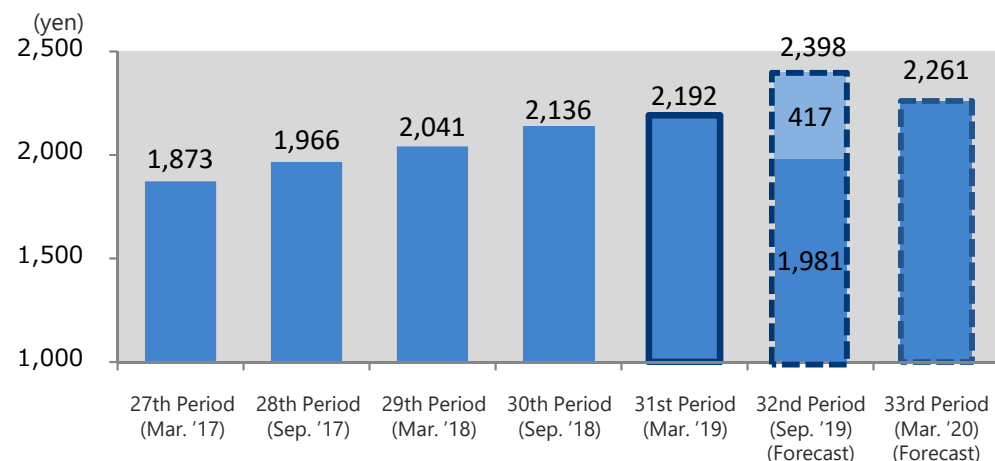
(*2) NOI return = NOI for the six months × 2 ÷ acquisition price

(*3) LTV (book value) = interest-bearing liabilities ÷ term-end total assets

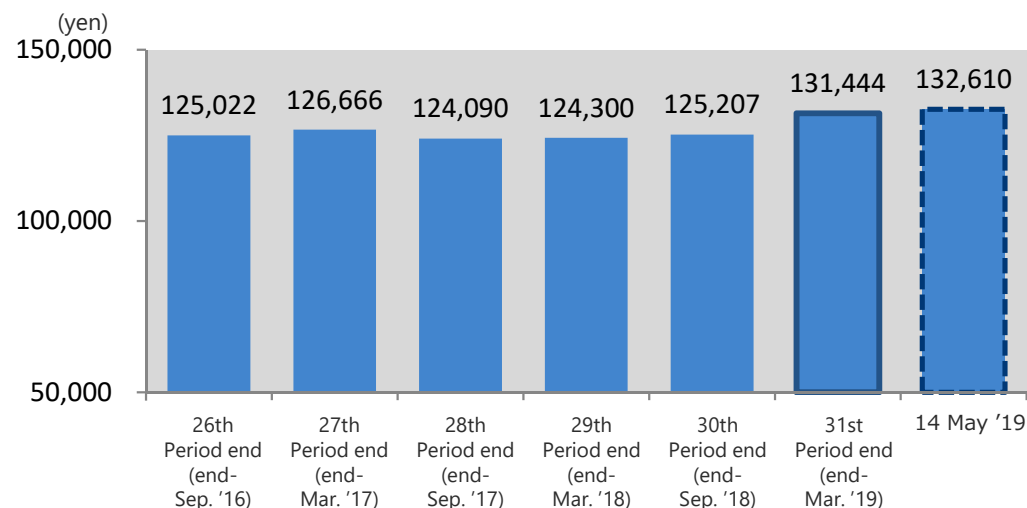
(*4) LTV (appraisal value) = interest-bearing liabilities ÷ (term-end total assets + unrealized gain/loss)

(*5) The performance forecast does not include assumed occupation by yet-to-be finalized tenants.

Trend of dividend per unit (DPU; adjusted after split)



Trend of NAV per unit (*6; adjusted after split)



(*6) NAV per unit = (term-end net assets – total dividends + unrealized gain/loss) ÷ total number of investment units issued

NAV per unit as of 14 May 2019 is calculated as: (term-end net assets after deducting dividends for the period ended March 2019 + amount procured through public offering + unrealized gain/loss excluding Ginza but including Toyosu) / total number of investment units issued (961,884 units)

2. Overview of Financial Results (Period ended March 2019) (1): Comparison with forecast

- Higher-than-expected DPU due to the progress of leasing and costs being lower than expected (up 2.2% compared to the forecast)

| | 31st Period Forecasts Mar.'19 (*1) | 31st Period Actual Mar.'19 | (million yen) | |
|---|---|----------------------------------|--------------------------------|--------|
| | | | Changes from 31th forecasts | |
| Operating Revenue | 5,196 | 5,224 | 28 | 0.5% |
| Rental revenues(a) | 5,196 | 5,224 | 28 | 0.5% |
| Rental revenues, etc. | 4,894 | 4,902 | 8 | 0.2% |
| Utility charges | 301 | 321 | 19 | 6.6% |
| Non rental revenues | 0 | 0 | -0 | -2.4% |
| Operating Expenses | 2,862 | 2,851 | -10 | -0.4% |
| Property-related expenses(b) | 2,347 | 2,345 | -1 | -0.1% |
| Property management fees | 568 | 570 | 1 | 0.2% |
| Utility expenses | 290 | 307 | 17 | 6.1% |
| Property and other taxes | 524 | 524 | — | — |
| Casualty insurance | 9 | 9 | 0 | 0.3% |
| Repairs and maintenance | 134 | 122 | -11 | -8.8% |
| Depreciation and amortization(c) | 803 | 802 | -1 | -0.1% |
| Other rental expenses | 15 | 7 | -7 | -49.8% |
| Asset management fees | 386 | 388 | 2 | 0.6% |
| Other general administrative cost | 128 | 117 | -11 | -8.8% |
| Operating Profit | 2,334 | 2,373 | 38 | 1.7% |
| Property-related profit (a-b) | 2,849 | 2,878 | 29 | 1.0% |
| NOI (a-b+c) | 3,652 | 3,681 | 28 | 0.8% |
| Non-operating Revenues | — | 0 | 0 | — |
| Non-operating Expenses | 433 | 431 | -2 | -0.5% |
| Interest expense | 343 | 341 | -2 | -0.6% |
| Other non-operating expenses | 90 | 90 | -0 | -0.0% |
| Ordinary Profit | 1,901 | 1,943 | 41 | 2.2% |
| Net Income | 1,900 | 1,941 | 41 | 2.2% |
| Total Dividends | 1,899 | 1,941 | 41 | 2.2% |
| | | | | |
| The number of units issued at end of period | 885,684 units | 885,684 units | 0 units | — |
| Dividend per unit (DPU) | 2,145 yen | 2,192 yen | 47 yen | 2.2% |

| Main reasons for variance (million yen) | (million yen) | | Converted to DPU (*2) |
|---|---------------------|---------------------|-----------------------------|
| | Increased profit | Decreased profit | |
| Operating profit | 38 | | 43 yen |
| Property-related profits and losses | 29 | | |
| Rental revenues, etc. | 8 | | |
| Repairs and maintenance | 11 | | |
| Other general administrative cost | 11 | | |

Saitama, Ginza, Sengokuyama, etc.
Lower-than-expected general administrative services fees, expenses for acquiring certifications, etc.

(*1) Forecasts are figures as of 14 November 2018.

(*2) Figure arrived at by dividing the amount of increase/decrease in profit by the total number of investment units issued (**885,684 units**) as of the end of the period ended March 2019.

2. Overview of Financial Results (Period ended March 2019) (2): Comparison with previous period

- Effect of upward rent revision and leasing up of vacancies significantly exceeded the drop in revenue caused by the moving out of tenants, resulting in an increase in revenue and profit (DPU up 2.6% from the previous period)

| | 30th Period Actual Sep.'18 | 31st Period Actual Mar.'19 | (million yen) | |
|---|----------------------------------|----------------------------------|---------------------------------|--------|
| | | | Changes from previous period | |
| Operating Revenue | 5,202 | 5,224 | 22 | 0.4% |
| Rental revenues(a) | 5,202 | 5,224 | 22 | 0.4% |
| Rental revenues, etc. | 4,841 | 4,902 | 61 | 1.3% |
| Utility charges | 353 | 321 | -31 | -8.9% |
| Non rental revenues | 8 | 0 | -7 | -90.6% |
| Operating Expenses | 2,881 | 2,851 | -30 | -1.0% |
| Property-related expenses(b) | 2,383 | 2,345 | -37 | -1.6% |
| Property management fees | 583 | 570 | -13 | -2.3% |
| Utility expenses | 340 | 307 | -32 | -9.7% |
| Property and other taxes | 528 | 524 | -3 | -0.7% |
| Casualty insurance | 9 | 9 | 0 | 0.4% |
| Repairs and maintenance | 123 | 122 | -0 | -0.6% |
| Depreciation and amortization(c) | 790 | 802 | 11 | 1.5% |
| Other rental expenses | 6 | 7 | 1 | 18.6% |
| Asset management fees | 384 | 388 | 3 | 0.9% |
| Other general administrative cost | 113 | 117 | 3 | 3.3% |
| Operating Profit | 2,320 | 2,373 | 52 | 2.3% |
| Property-related profit (a-b) | 2,819 | 2,878 | 59 | 2.1% |
| NOI (a-b+c) | 3,610 | 3,681 | 71 | 2.0% |
| Non-operating Revenues | 21 | 0 | -21 | -96.1% |
| Non-operating Expenses | 450 | 431 | -19 | -4.3% |
| Interest expense | 343 | 341 | -2 | -0.7% |
| Other non-operating expenses | 106 | 90 | -16 | -15.7% |
| Ordinary Profit | 1,892 | 1,943 | 50 | 2.7% |
| Net Income | 1,891 | 1,941 | 50 | 2.6% |
| Total Dividends | 1,891 | 1,941 | 49 | 2.6% |
| | | | | |
| The number of units issued at end of period | 885,684 units | 885,684 units | 0 units | — |
| Dividend per unit (DPU) | 2,136 yen | 2,192 yen | 56 yen | 2.6% |

| Main reasons for variance (million yen) | | | Converted to DPU |
|---|---------------------|---------------------|---------------------|
| | Increased profit | Decreased profit | |
| (*) | | | |
| Operating profit | 52 | | 59 yen |
| Property-related profits and losses | 59 | | |
| Rental revenues, etc. | 61 | | |
| Upward rent revisions | 28 | ----- | ----- |
| Expires of rent-free periods | 47 | ----- | ----- |
| Moving in and out, etc. | | 14 | ----- |
| Decrease in property management fees | 13 | ----- | ----- |
| Increase in depreciation and amortization | | 11 | ----- |
| | | | |
| Non-operating profits and losses | | 1 | -2 yen |
| Decrease in non-operating revenues | | 21 | ----- |
| Decrease in other non-operating revenues | 16 | ----- | ----- |

| |
|---|
| Saitama, Minami-Aoyama, Yodoyabashi, Midosuji, etc. |
| Shinagawa, Kinshicho, Hirakawacho, etc. |
| Otemachi, Ginza, Sengokuyama, etc. |
| Decrease in leasing costs for Ginza, etc. |
| Saitama, Kinshicho, Ginza, etc. |

| Propertiess that recorded increase/decrease of 10million yen or more (million yen) | | Converted to DPU |
|---|----|---------------------|
| | | (*) |
| Shinagawa | 40 | 46 yen |
| Minami-Aoyama | 15 | 17 yen |
| Hirakawacho | 14 | 16 yen |
| Sengokuyama | 12 | 14 yen |
| Otemachi | | -35 yen |
| | | 31 |

| Main reasons for variance |
|---|
| Expiration of rent-free period and increase in utilities expenditures |
| Upward rent revision and decrease in repairs and maintenance |
| Expiration of rent-free period and decrease in management association fees |
| Expiration of rent-free period and decrease in management association fees |
| Temporary drop in revenue due to tenant replacement and increase in repairs/maintenance |

(*) Figure arrived at by dividing the amount of increase/decrease in profit by the total number of investment units issued (**885,684 units**) as of the end of the period ended September 2018.

3. Performance forecast (1): Period ending September 2019

- Increase in revenue and profit through asset replacement to exceed dilution due to capital increase
- Intend to allocate part of gain on sale to internal reserves to stabilize future dividends (DPU up 9.4% from the previous period)

| (million yen) | | | | |
|-----------------------------------|----------------------------------|-------------------------------------|---------------------------------|---------|
| | 31st Period Actual Mar.'19 | 32nd Period Forecasts Sep.'19 | Changes from the 31st period | |
| | (*1) | | | |
| Operating Revenue | 5,224 | 6,175 | 950 | 18.2% |
| Rental revenues(a) | 5,224 | 5,519 | 295 | 5.6% |
| Rental revenues, etc. | 4,902 | 5,176 | 274 | 5.6% |
| Utility charges | 321 | 343 | 21 | 6.8% |
| Non rental revenues | 0 | — | -0 | -100.0% |
| Gain on sale of real estate | — | 655 | 655 | — |
| Operating Expenses | 2,851 | 3,149 | 297 | 10.5% |
| Property-related expenses(b) | 2,345 | 2,561 | 215 | 9.2% |
| Property management fees | 570 | 709 | 139 | 24.5% |
| Utility expenses | 307 | 344 | 36 | 11.7% |
| Property and other taxes | 524 | 530 | 5 | 1.0% |
| Casualty insurance | 9 | 10 | 0 | 4.3% |
| Repairs and maintenance | 122 | 101 | -20 | -16.7% |
| Depreciation and amortization(c) | 802 | 846 | 44 | 5.5% |
| Other rental expenses | 7 | 17 | 9 | 125.7% |
| Asset management fees | 388 | 421 | 32 | 8.5% |
| Other general administrative cost | 117 | 167 | 49 | 42.5% |
| Operating Profit | 2,373 | 3,026 | 652 | 27.5% |
| Property-related profit (a-b) | 2,878 | 2,958 | 79 | 2.8% |
| NOI (a-b+c) | 3,681 | 3,805 | 123 | 3.4% |
| Non-operating Revenues | 0 | — | -0 | -100.0% |
| Non-operating Expenses | 431 | 464 | 33 | 7.8% |
| Interest expense | 341 | 341 | 0 | 0.2% |
| Unit issuance costs | — | 31 | 31 | — |
| Other non-operating expenses | 90 | 91 | 1 | 1.3% |
| Ordinary Profit | 1,943 | 2,561 | 618 | 31.8% |
| Net Income | 1,941 | 2,560 | 618 | 31.9% |
| Reserve for reduction entry | — | 254 | 254 | — |
| Total Dividends | 1,941 | 2,306 | 365 | 18.8% |

| | | | | |
|---|---------------|---------------|--------------|------|
| The number of units issued at end of period | 885,684 units | 961,884 units | 76,200 units | 8.6% |
| Dividend per unit (DPU) | 2,192 yen | 2,398 yen | 206 yen | 9.4% |

(Forecast as of 14 November 2018) 2,170 yen

(*1) See "Summary of Financial Results for the Six-Month Period Ended March 2019" released on 20 May 2019 for details on assumptions for the 32nd Period forecasts. Occupancy by tenants yet to be decided is not factored into the performance forecasts.

(*2) Operating profit and non-operating profits and losses are calculated by dividing the amount of increase in profit and the amount of decrease in profit, respectively, by the total number of investment units issued (885,684 units) as of the end of the period ended March 2019; and reserve for reduction entry is calculated by dividing the amount of decrease in profit by the expected total number of investment units issued (961,884 units) as of the end of the period ending September 2019.

| Main reasons for variance (million yen) | | | Converted to DPU |
|---|---------------------|---------------------|---|
| | Increased profit | Decreased profit | |
| | (*2) | | |
| Operating Profit | 652 | | 737 yen |
| Asset replacement | 834 | | |
| Property-related profits and losses(Ginza) | | 172 | ----- Sales date (18 April) |
| Property-related profits and losses(Toyosu) | 351 | | ----- Acquisition date (18 April) |
| Gain on sale of real estate | 655 | | ----- Ginza |
| Property-related profits and losses(10Props.) | | 97 | |
| Rental revenues, etc. | 69 | | |
| Upward rent revisions | 2 | | ----- Yokohama, Yodoyabashi, Saitama, Kinshicho, Midosuji, etc. |
| Expires of rent-free periods | 49 | | ----- Otemachi, Yokohama, Saitama, etc. |
| Moving in and out, etc. | 16 | | ----- Yokohama, etc. |
| increase in property management fees | | 125 | ----- Leasing up Minami-Aoyama, etc. |
| increase in property and other taxes | | 22 | ----- Increase in property taxes |
| decrease in repairs and maintenance | 14 | | ----- Otemachi, Ginza, etc. |
| Increase in depreciation and amortization | | 14 | ----- Kinshicho, etc. |
| Increase in asset management fees | | 32 | ----- Increase in management fee linked to profits |
| Increase in Other general administrative cost | | 49 | ----- Consumption tax and miscellaneous loss accompanying the sale of Ginza, etc. |
| Non-operating profits and losses | | 34 | -39 yen |
| Unit issuance costs | | 31 | |
| Dilution due to capital increase | | | -229 yen |
| Reserve for reduction entry | | 254 | -264 yen |

3. Performance forecast (2): Period ending March 2020

- Decrease in revenue and profit due to a fallback in gain on sale despite property-related profit and loss posting a large increase of profit
- Effect of increased rent for a new tenant of Minami-Aoyama to appear in the 34th period (See page 13, 23-25)

| | (million yen) | | | | |
|-----------------------------------|-------------------------------------|-------------------------------------|---------------------------------|---------|--|
| | 32nd Period Forecasts Sep.'19 | 33rd Period Forecasts Mar.'20 | Changes from the 32nd period | | |
| | (*1) | | | | |
| Operating Revenue | 6,175 | 5,785 | -390 | -6.3% | |
| Rental revenues(a) | 5,519 | 5,785 | 265 | 4.8% | |
| Rental revenues, etc. | 5,176 | 4,540 | -636 | -12.3% | |
| Utility charges | 343 | 288 | -54 | -15.8% | |
| Non rental revenues | — | 955 | 955 | — | |
| Gain on sale of real estate | 655 | — | -655 | -100.0% | |
| Operating Expenses | 3,149 | 3,190 | 41 | 1.3% | |
| Property-related expenses(b) | 2,561 | 2,640 | 79 | 3.1% | |
| Property management fees | 709 | 563 | -146 | -20.7% | |
| Utility expenses | 344 | 293 | -50 | -14.5% | |
| Property and other taxes | 530 | 496 | -33 | -6.3% | |
| Casualty insurance | 10 | 10 | -0 | -0.1% | |
| Repairs and maintenance | 101 | 258 | 156 | 153.3% | |
| Depreciation and amortization(c) | 846 | 858 | 12 | 1.4% | |
| Other rental expenses | 17 | 158 | 140 | 796.3% | |
| Asset management fees | 421 | 416 | -5 | -1.3% | |
| Other general administrative cost | 167 | 134 | -32 | -19.4% | |
| Operating Profit | 3,026 | 2,594 | -431 | -14.3% | |
| Property-related profit (a-b) | 2,958 | 3,144 | 186 | 6.3% | |
| NOI (a-b+c) | 3,805 | 4,003 | 198 | 5.2% | |
| Non-operating Revenues | — | — | — | — | |
| Non-operating Expenses | 464 | 418 | -45 | -9.9% | |
| Interest expense | 341 | 328 | -13 | -4.0% | |
| Unit issuance costs | 31 | — | -31 | -100.0% | |
| Other non-operating expenses | 91 | 90 | -0 | -0.9% | |
| Ordinary Profit | 2,561 | 2,175 | -385 | -15.1% | |
| Net Income | 2,560 | 2,174 | -385 | -15.1% | |
| Reserve for reduction entry | 254 | — | -254 | -100.0% | |
| Total Dividends | 2,306 | 2,174 | -131 | -5.7% | |

| | | | | |
|---|---------------|---------------|----------|-------|
| The number of units issued at end of period | 961,884 units | 961,884 units | 0 units | 0.0% |
| Dividend per unit (DPU) | 2,398 yen | 2,261 yen | -137 yen | -5.7% |

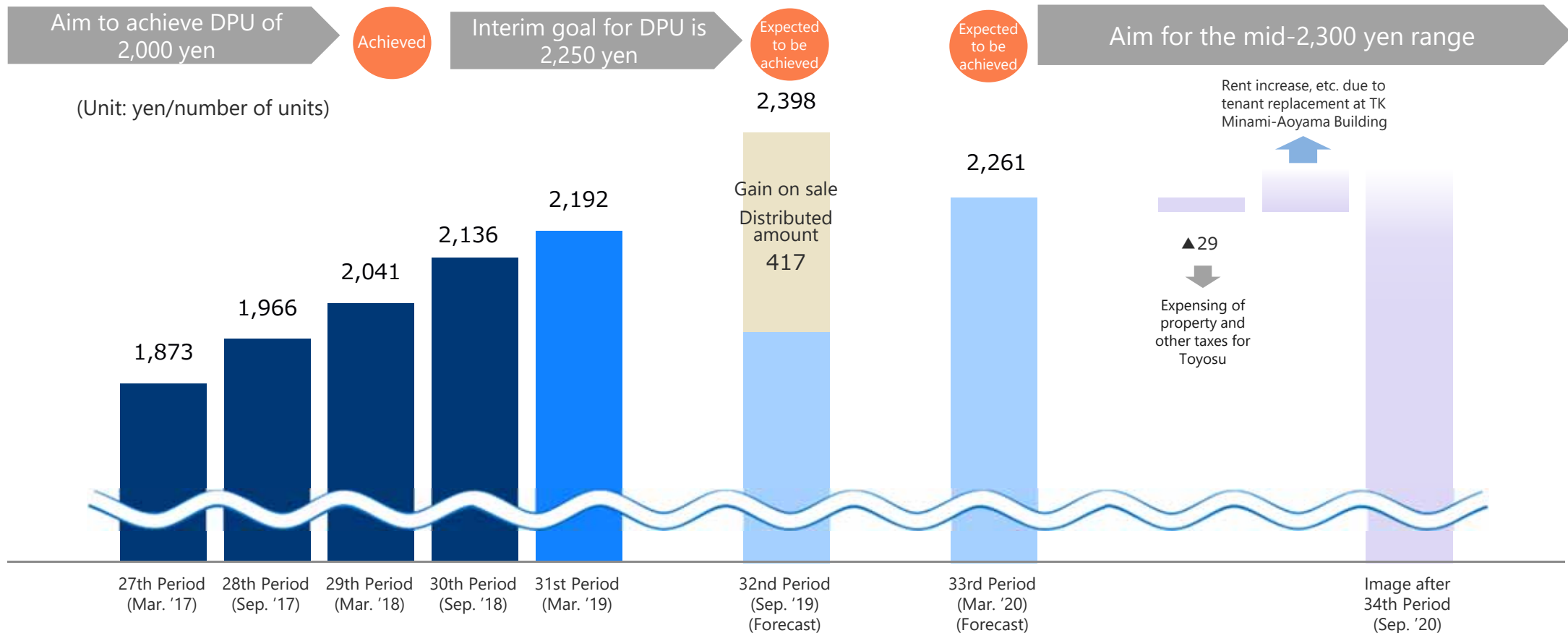
| Main reasons for variance (million yen) | | Converted to DPU |
|---|---------------------|---------------------|
| Increased profit | Decreased profit | |
| (*2) | | |
| Operating Profit | 431 | -448 yen |
| Property-related profits and losses | 186 | |
| Rental revenues, etc. | | 636 |
| Upward rent revisions | 3 | |
| Expires of rent-free periods | 19 | |
| Moving in and out, etc. | | 659 |
| increase in other rental revenues | 955 | |
| increase in property management fees | 146 | |
| increase in property and other taxes | 33 | |
| decrease in repairs and maintenance | | 156 |
| Increase in depreciation and amortization | | 12 |
| Increase in other rental expenses | | 140 |
| Decrease in Gain on sale of real estate | | 655 |
| Decrease in Other general administrative cost | 32 | |
| | | |
| Non-operaiting profits and losses | 45 | 48 yen |
| Interest expense | 13 | |
| Unit issuance costs | 31 | |
| | | |
| Reserve for reduction entry | 254 | 264 yen |

(*1) See "Summary of Financial Results for the Six-Month Period Ended March 2019" released on 20 May 2019 for details of assumptions for the 32nd and 33rd period forecasts. Occupancy by tenants yet to be decided is not factored into the performance forecast.

(*2) Figure arrived at by dividing the amount of increase/decrease in profit by the total number of investment units issued (**961,884 units**) at the end of the period ending September 2019.

3. Performance forecast (3): Image of future dividends

- Property and other taxes for Toyosu will be expensed in and after the period ending September 2020, but rent increase due to tenant replacement at Minami-Aoyama, etc. is expected to exceed for such expenses.



※ For the tenant replacement at Minami-Aoyama, Please refer to page23-25.

(Note) Amount per unit (yen/unit) is obtained by dividing the total amount of dividends by the number of investment units issued and outstanding (885,684 units) for the period ended March 2019 and before and by the number of investment units issued and outstanding after the issuance of new investment units (961,884 units) for the forecast for the period ending September 2019 and after.

Main temporary revenue and expenses (yen/number of units)

—Temporary revenue
 • Gain on sale of Ginza: 681 (Internal reserves: 264)
 —Temporary expenses
 • Leasing expenses of Minami-Aoyama
 • Investment unit issuance expenses: 32

—Temporary revenue
 • Revenue equivalent to restoration costs of Minami-Aoyama: 300
 —Temporary expenses
 • Air conditioning construction costs and restoration costs of Minami-Aoyama: 160
 • Loss on removal of air conditioning facilities of Minami-Aoyama: 153



III Portfolio Management

1. External Growth (1): Overview of Acquired Property ①

- Acquired a high-grade large office building in the Toyosu area, which enjoys excellent access to central Tokyo, in a buy-and-sell style

Hulic Toyosu Prime Square (50% quasi co-ownership)

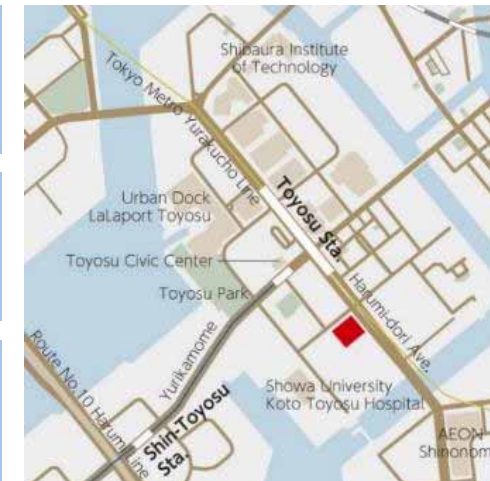
(As of 18 April 2019)



CLOSER Nearby station 3-minute Walk

NEWER Building age 8.8 years

LARGER Standard lease floor area 901 tsubos



| | |
|--------------------------------------|---|
| Location | 5-6-36, Toyosu, Koto-ku, Tokyo |
| Acquisition price | 21,000 million yen |
| Appraisal value | 23,700 million yen |
| Expected NOI return | 4.0% (After depreciation: 3.3%) |
| Appraisal NOI return | 4.3% (After depreciation: 3.6%) |
| Occupancy Rate/ Number of tenants | 100.0%, 21 companies |
| Nearby station | 3-minute walk from Toyosu Station on the Tokyo Metro Yurakucho Line and the Yurikamome Line |
| Year Built | August 2010 |
| Structure | S with a flat roof/12-story |
| Total Floor Area | 41,741.18 sqm (Entire building) |
| Gross Leasable Area | 16,140.86 sqm (50% ownership) |

Superiority of location

- Excellent access to Tokyo Station and major urban areas (Ginza, Yurakucho, Ikebukuro, etc.)
- Offers even better accessibility compared with other office buildings in the Toyosu area

High grade/High spec

- Ceiling height of 2,800 mm; regular-shaped column-free space allowing for efficiency in layout
- Highly efficient and high-performing air-conditioning/lighting systems
- Vibration damping structure, BCP (space to install emergency power generators for tenants)

Market trends

- Companies attracted by the proximity to central Tokyo, large floor area, relatively lower rent compared to central Tokyo, potential of the area, etc. are moving into the area
- Office rents remain stable backed by strong demand
- Future rent increase can be expected since the current rent is lower than the market rent

1. External Growth (1): Overview of acquired property ②

- Concentration of offices has advanced centering on major companies as an important hub for headquarters, etc.
- With large developments including office buildings underway, further development in Toyosu is highly expected.



1. External Growth (2): Overview of Asset Replacement ①

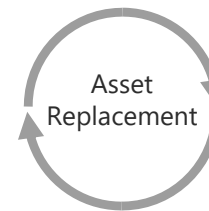
- Acquired a higher-grade, relatively new large-scale building in a buy-and-sell style through a unique route

Overview of Asset Replacement



Transferred Asset

Ginza First Building



Acquired Asset

Hulic Toyosu Prime Square

| | | |
|--|--------------------|--------------------|
| Transfer/Acquisition Price | 12,600 million yen | 21,000 million yen |
| Appraisal Value | 12,400 million yen | 23,700 million yen |
| NOI return (based on appraisal value) | 3.7% | 4.3% |
| NOI return after Depreciation (based on appraisal value) | 3.0% | 3.6% |
| Building Age | 20.8 years | 8.8 years |
| Occupancy Rate | 100.0% | 100.0% |
| Number of tenants | 7 | 21 |

Rejuvenation

20.8 years



8.8 years

Higher-grade large-scale building

Total floor area
3,775 tsubos



12,627 tsubos

Standard floor area
231 tsubos



901 tsubos

(Expected) Gain on sale

655 million yen

1. External Growth (2): Overview of Asset Replacement ②

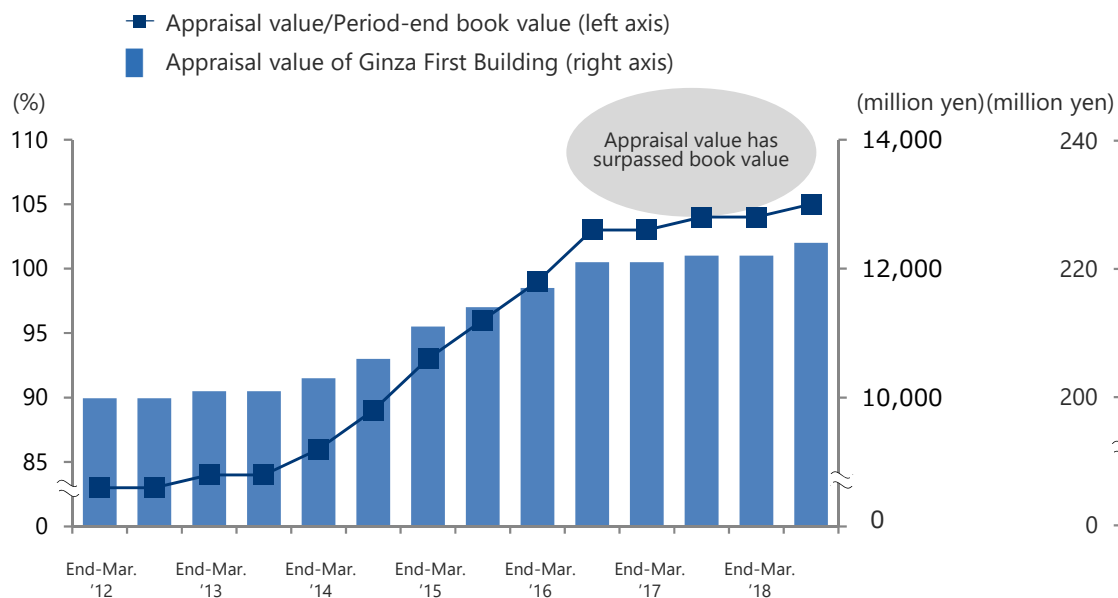
- Seeing an opportune time to sell, replaced Ginza with Toyosu, which is expected to bring revenue growth and stability over the medium to long term

① Realized a buy-and-sell transaction on a negotiation basis capitalizing on the potential of the area where Ginza First Building stands
-Acquisition of Hulin Toyosu Prime Square was possible only because Ginza First Building was evaluated highly-

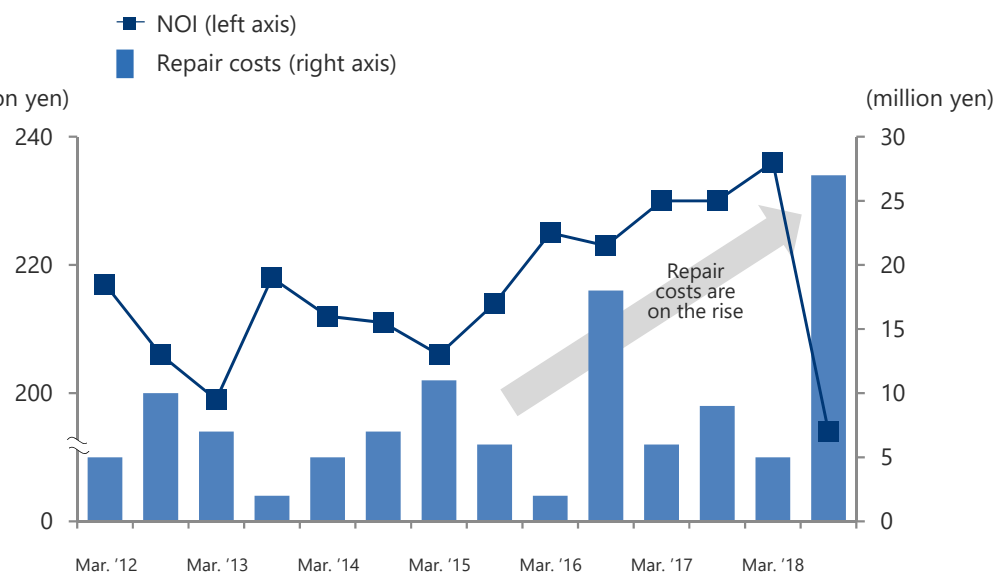
② Transaction capturing an opportune time to transfer amid the booming real estate market

③ The outlook for a significant improvement in current NOI return is bleak as the building ages and repair costs, etc. have become more expensive in recent years

◆ Change in appraisal value compared with period-end book value for Ginza First Building

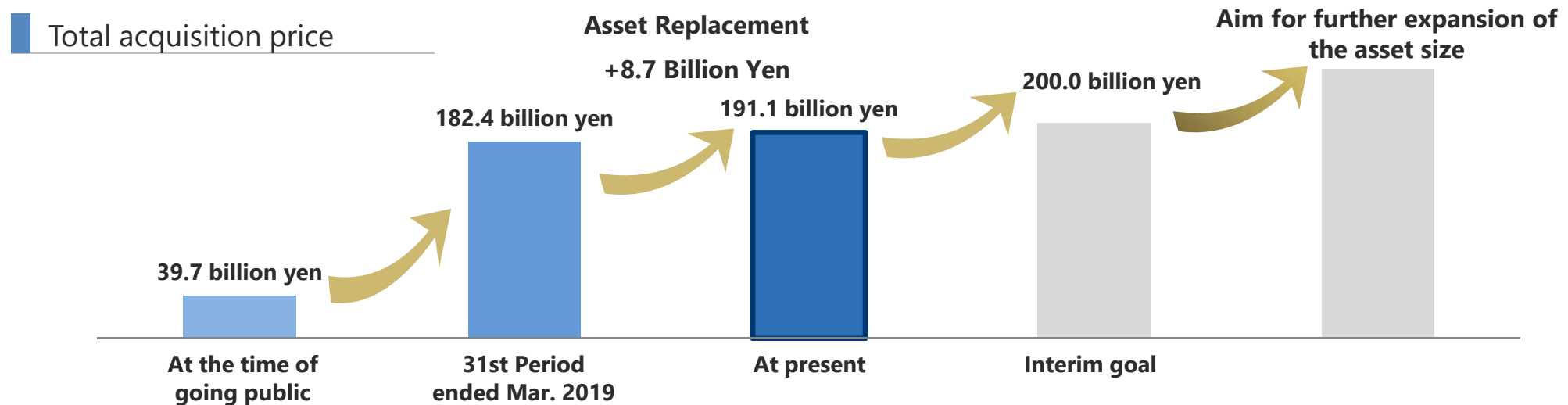


◆ Change in NOI and repair costs for Ginza First Building



1. External Growth (3): Efforts on External Growth

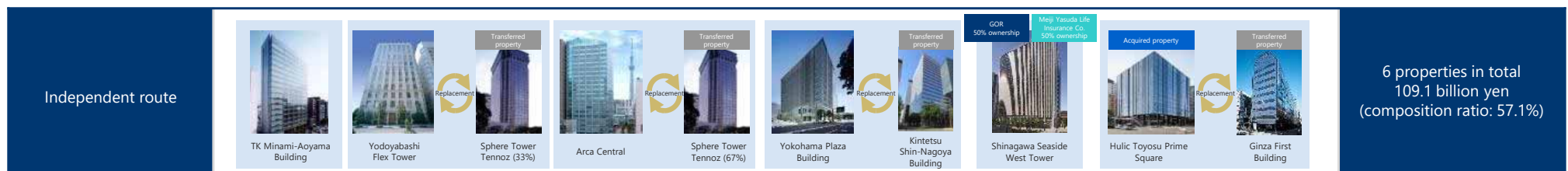
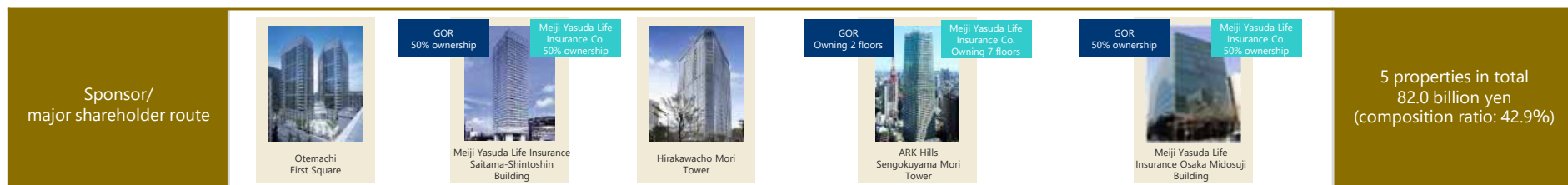
- Expanding the asset size to stabilize revenues by continuing to make selective investments



Property acquisition route

Sourcing **drawing upon both the sponsor/major shareholder route and independent route**

Enhancement of portfolio quality through continuous **asset replacement**



1. External Growth (4): Change in Total Market Value

■ Aim to be included in FTSE EPRA/NAREIT Global Real Estate Index

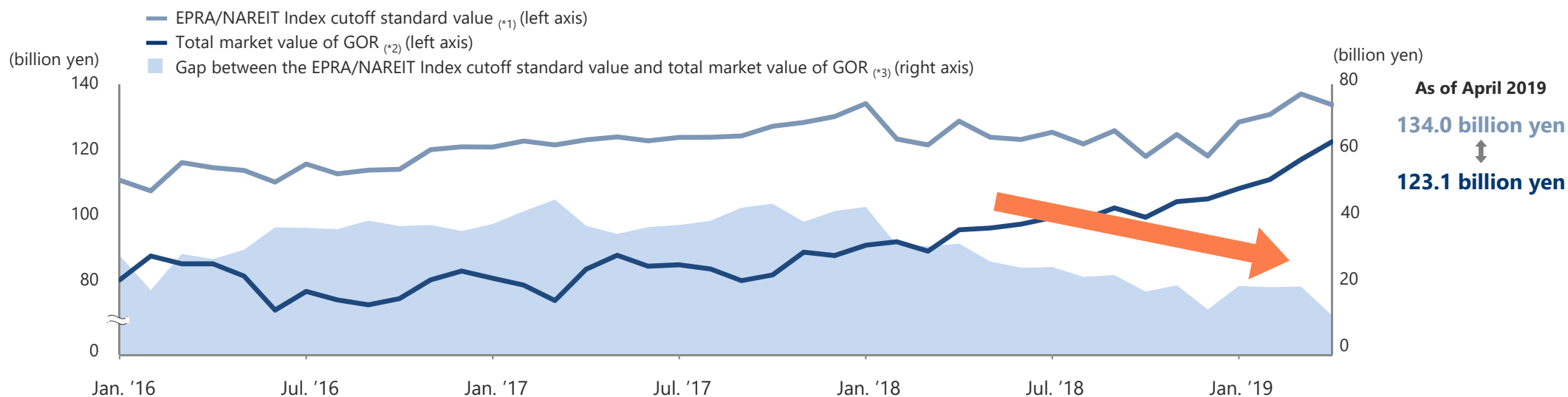
- Total market value gradually increased as a result of the continuous and flexible implementation of various measures to enhance unitholder value
- The gap with the FTSE EPRA/NAREIT Global Real Estate Index cutoff standard value has steadily narrowed

<FTSE EPRA/NAREIT Global Real Estate Index>

FTSE EPRA/NAREIT Global Real Estate Index is a real estate investment index provided by FTSE, an independent company fully owned by the London Stock Exchange, in collaboration with EPRA (European Public Real Estate Association) and NAREIT (National Association of Real Estate Investment Trusts). The index is comprised of global listed real estate stocks, REITs and such, and is the leading international real estate investment index used as a benchmark by real estate investment funds, etc. (particularly by passive funds) worldwide.

<Benefits of being included in the index>

- Liquidity of investment units may significantly increase due to an increase in transactions by passive funds, etc.



(Source) Prepared by the asset management company based on the data obtained from Bloomberg

(*1) (EPRA/NAREIT Index cutoff standard value) = (Total market value after adjusting floating shares of companies included in "FTSE EPRA/NAREIT Developed Asia Index") x 0.3%

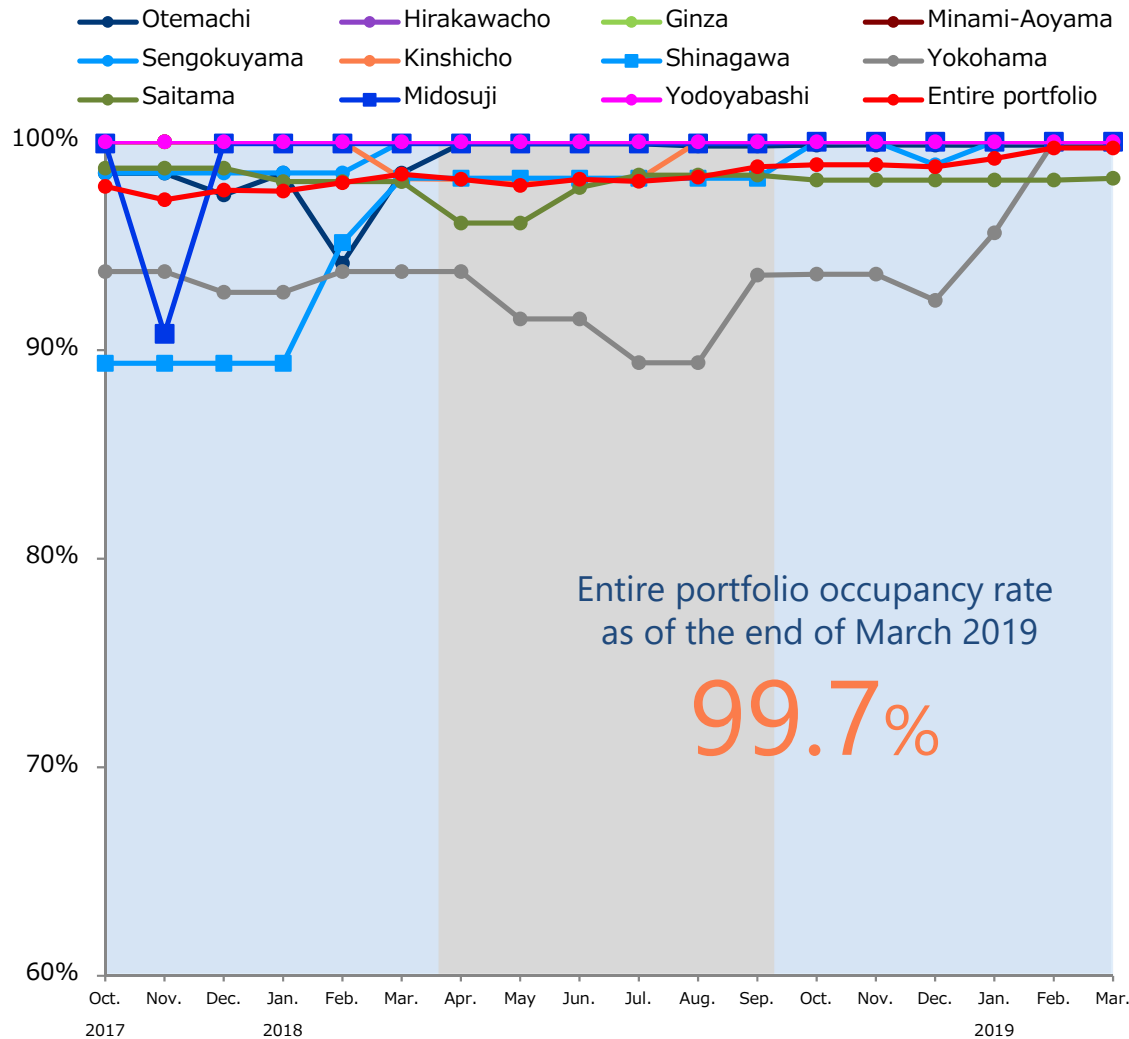
(*2) (Total market value of GOR) = (Closing price of investment units in regular trading at respective time) x (Total number of investment units issued and outstanding at said time)
No adjustment of floating share ratio standard, etc. defined by FTSE Russell is implemented.

(*3) (Gap between the EPRA/NAREIT Index cutoff standard value and total market value of GOR) = (EPRA/NAREIT Index cutoff standard value at respective time) – (total market value of GOR)

2. Internal Growth (1): Occupancy Rate

■ Occupancy rate stable at high levels – increasing to 99.7% for the portfolio (as of the end of March 2019)

- Yokohama returned to full occupancy (End of September 2018: 93.6% → End of March 2019: 100.0%)

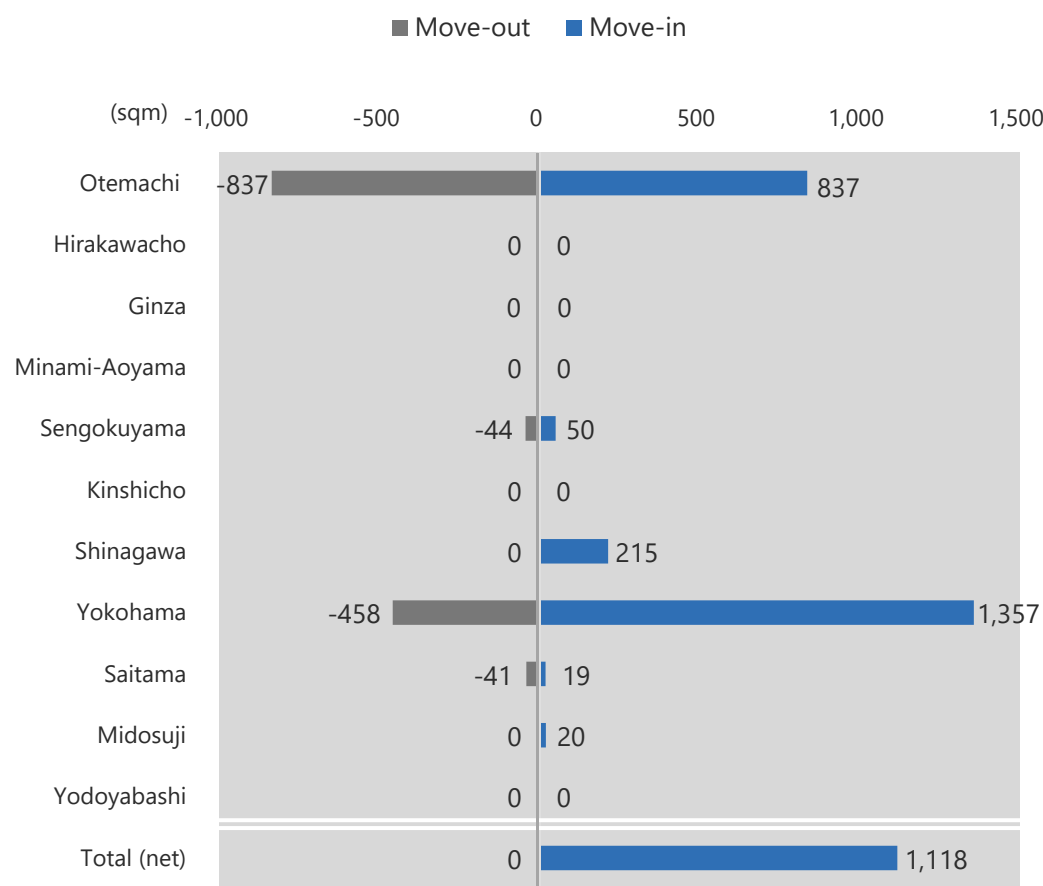


| | 29th Period end (end-Mar. '18) | 30th Period end (end-Sep. '18) | 31st Period end (end-Mar. '19) |
|--|--------------------------------------|--------------------------------------|--------------------------------------|
| Otemachi First Square | 98.5% | 99.8% | 99.8% |
| Hirakawacho Mori Tower | 100.0% | 100.0% | 100.0% |
| Ginza First Building | 100.0% | 100.0% | 100.0% |
| TK Minami-Aoyama Building | 100.0% | 100.0% | 100.0% |
| ARK Hills Sengokuyama Mori Tower | 100.0% | 100.0% | 100.0% |
| Arca Central | 98.2% | 100.0% | 100.0% |
| Shinagawa Seaside West Tower | 98.2% | 98.2% | 100.0% |
| Yokohama Plaza Building | 93.8% | 93.6% | 100.0% |
| Meiji Yasuda Life Insurance Saitama-Shintoshin Building | 98.1% | 98.4% | 98.2% |
| Meiji Yasuda Life Insurance Osaka Midosuji Building | 99.9% | 99.9% | 100.0% |
| Yodoyabashi Flex Tower | 100.0% | 100.0% | 100.0% |
| Entire portfolio | 98.4% | 98.8% | 99.7% |

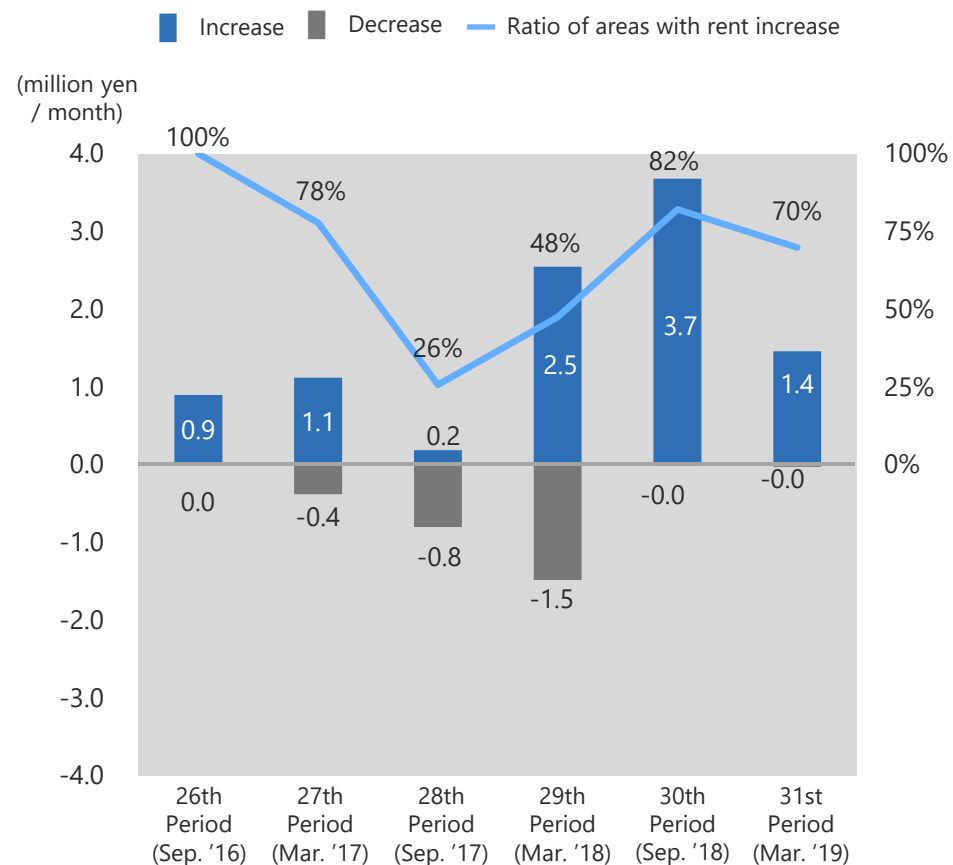
2. Internal Growth (2): Status of Tenant Replacement

■ Realized rent increase upon tenant replacement

Floor areas with tenant move-ins and move-outs for the 31st Period



Rent upon replacement (Change in monthly rent due to tenant replacement)



(*) The amounts of rent change indicate the total amounts of rents (including common area charges) obtained by subtracting the monthly rent before replacement from the monthly rent after the replacement under the respective office lease agreement with a tenant in each period.

2. Internal Growth (3): Tenant Replacement at Minami-Aoyama ① - Overview

- The agreement with the current tenant was cancelled ahead of schedule, and an approximately 10-year fixed-term lease agreement was concluded with a new tenant that starts the next day

New tenant and terms of contract

- ◆ Contract starts 2 October 2019

| | |
|----------------------------------|---|
| Name of Tenant | undisclosed |
| Leased area | 12,243.57m ² |
| Monthly rent | undisclosed |
| Lease start date | (1) 10,493.14 m ² : 2 October 2019 (2) 1,750.43 m ² : 1 November 2019 |
| Lease termination date | 1 October 2029 |
| Agreement renewal | Will conclude at the termination date with no renewal (the renewal based on agreement is possible) |
| Notes concerning lease agreement | Although cancellation is possible with a written notice one year in advance, there is an obligation to pay the full amount of rent equivalent to up to 1 October 2024 |

(Reference) Overview of lease agreement to be cancelled

| | |
|---|--|
| Name of Tenant | Tokyu Land Corporation |
| Leased area | 12,243.57m ² |
| Ratio in the gross leasable area of TK Minami-Aoyama Building | 87.4% |
| Ratio in the gross leasable area of GOR portfolio | 9.9% |
| Monthly rent | undisclosed |
| Lease termination date (original) | 31 May 2020 |
| Agreement cancellation date | (1) 10,493.14 m ² : 1 October 2019 (2) 1,750.43 m ² : 31 October 2019 |

Characteristics of TK Minami-Aoyama Building



LOSER: Favorable location of a 2-minute walk from Aoyama-Itchome Station

It has excellent accessibility as it is located a 2-minute walk from Aoyama-itchome Station on the Toei Oedo Line, the Tokyo Metro Ginza Line, and the Tokyo Metro Hanzomon Line, and a 4-minute walk from Gaemmae Station on the Tokyo Metro Ginza Line. It also has high visibility as it faces Aoyama-dori Street with an opening of 55 m.



EWER: High-spec office constructed in 2003

Ceiling height: 2,800 mm, free access floor 100 mm, outlet capacity 100 VA/m², 24-hour access



ARGER: Highly competitive large-scale building

Gross floor area: 6,340 tsubos, standard floor area: 277 tsubos with no pillars

Entire use of 3,704 tsubo of leasable area is possible, yet it is a rare property that can also be occupied by multiple tenants

2. Internal Growth (3): Tenant Replacement at Minami-Aoyama ② - Key Points/Effects

Favorable office market and operations
that meet tenant needs



Highly competitive quality of property

No downtime for occupancy or rental revenues, etc.

- No contractual vacancy period as new agreement begins the day after the contract cancellation date.
- Although the new tenant will have a rent-free period, an agreement cancellation fee will be received from the current tenant, resulting in no revenue drop off from current rent revenue levels.
- Realized opportunistic tenant replacement with multiple strong demands under the condition that rents exceed current rents for the highly rare property that has the elements of "CLOSER," "NEWER," and "LARGER."

Realized internal growth through the new tenant occupancy

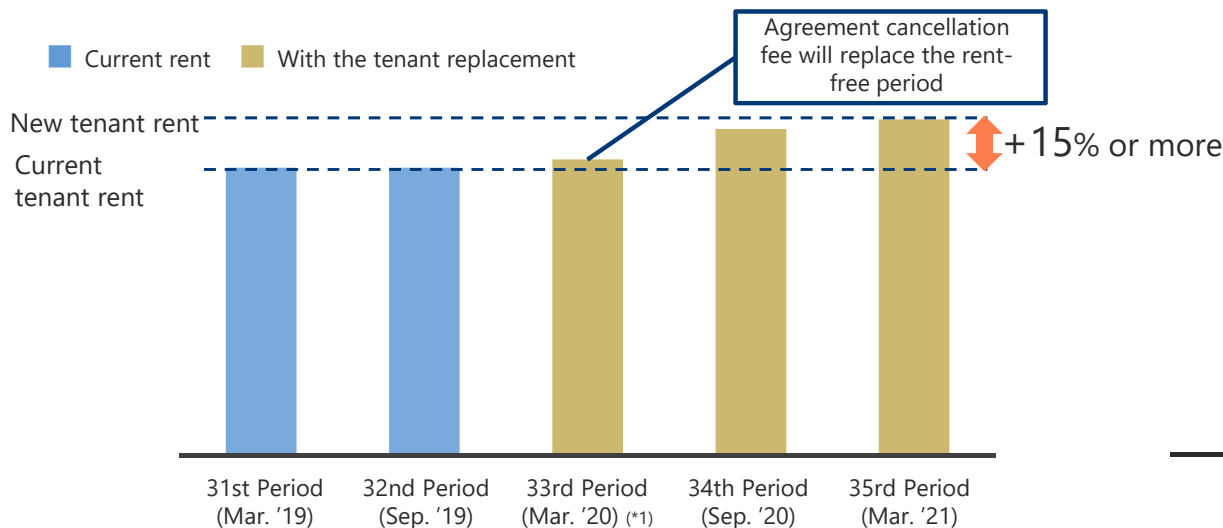
- The monthly rent for the new tenant will exceed the current rent by more than **15%**, which can be attributed to leasing activities that meet tenant needs

Generated stable cashflow by concluding a long-term rental agreement with the highly trustworthy new tenant

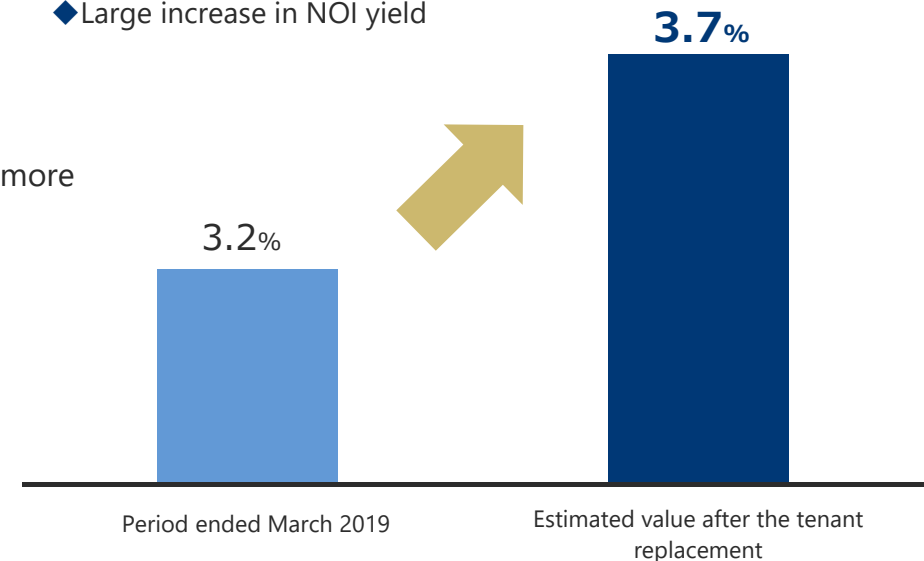
- Concluded an approximately 10-year fixed-term lease agreement

(Although cancellation is possible with a written notice one year in advance, there is an obligation to pay the full amount of rent equivalent to up to 1 October 2024)

◆ Visualization of changes in rental revenues, etc., due to the tenant replacement



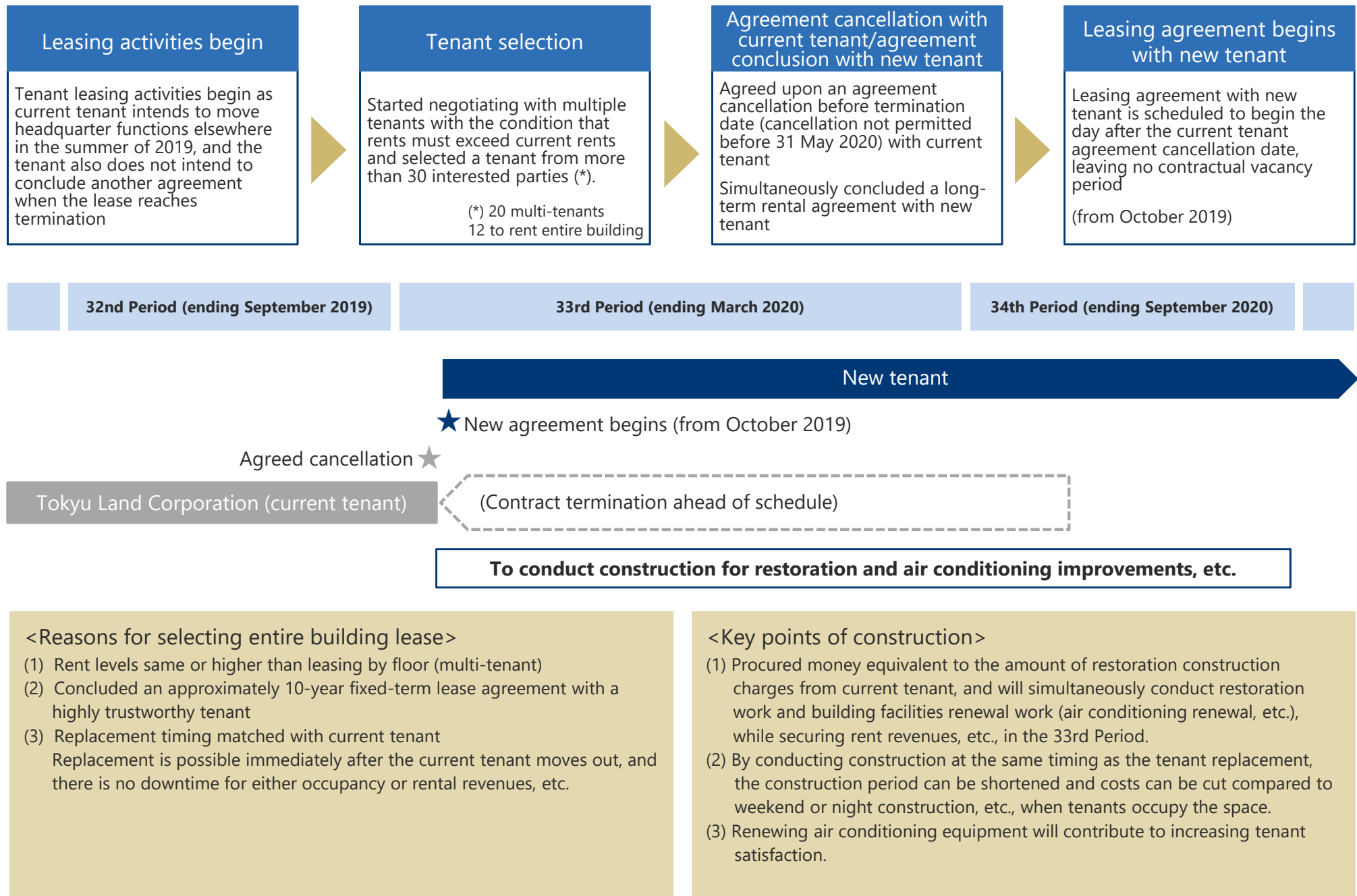
◆ Large increase in NOI yield



(*1) Revenue from agreement cancellation fee scheduled to be received from the current tenant is included in rent revenues, etc., for "With the tenant replacement" in the 33rd Period.

(*2) "Estimated value after the tenant replacement" is the yield calculated based on expected NOI continuing through the 35th Period (ending March 2021).

2. Internal Growth (3): Tenant Replacement at Minami-Aoyama ③ - Timeline

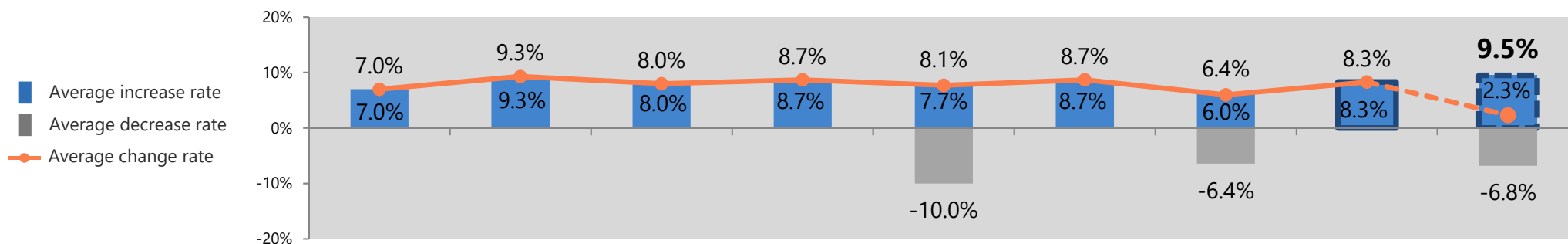


2. Internal Growth (4): Rent Revision ① - Current Situation

■ Expect to achieve upward rent revision for the tenth consecutive period

- In the 31st Period, out of a total of 24 cases, rents were increased for 12, maintained for 12, and reduced for 0, giving an average change rate of +8.3%
- In the 32nd Period, out of a total of 39 cases, rents are expected to be increased for 18, maintained for 20, and reduced for 1, giving an average change rate of + 2.3%

Except for 1 case of downward revision (Section with use other than office), upward trends remain unchanged (Average increase rate for the 32nd Period: **9.5%**)



| Details (*1) | 24th Period (Sep. '15) | 25th Period (Mar. '16) | 26th Period (Sep. '16) | 27th Period (Mar. '17) | 28th Period (Sep. '17) | 29th Period (Mar. '18) | 30th Period (Sep. '18) | 31st Period (Mar. '19) | 32nd Period (Sep. '19) Forecasts (*2) |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|--|
| Area (sqm) | 25,295 | 13,684 | 11,304 | 9,494 | 32,767 | 26,115 | 32,686 | 14,243 | 27,365 |
| Number of renewal | 31 | 17 | 22 | 21 | 49 | 25 | 34 | 24 | 39 |
| Area (sqm) | 8,804 | 8,389 | 7,468 | 3,090 | 18,539 | 10,926 | 23,117 | 8,787 | 7,582 |
| Ratio of areas with upward rent revision | 34.8% | 61.3% | 66.1% | 32.5% | 56.6% | 41.8% | 70.7% | 61.7% | 27.7% |
| Average increase rate | 7.0% | 9.3% | 8.0% | 8.7% | 8.1% | 8.7% | 6.4% | 8.3% | 9.5% |
| Number of rent increase | 12 | 12 | 14 | 13 | 30 | 16 | 19 | 12 | 18 |
| Area (sqm) | - | - | - | - | 353 | - | 341 | - | 3,499 |
| Average decrease rate | - | - | - | - | -10.0% | - | -6.4% | - | -6.8% |
| Number of rent decrease | - | - | - | - | 1 | - | 1 | - | 1 |
| Average change rate | 7.0% | 9.3% | 8.0% | 8.7% | 7.7% | 8.7% | 6.0% | 8.3% | 2.3% |

(*1) The average increase rates, the average decrease rates and the average change rates are based on the rents only excluding common area charges.

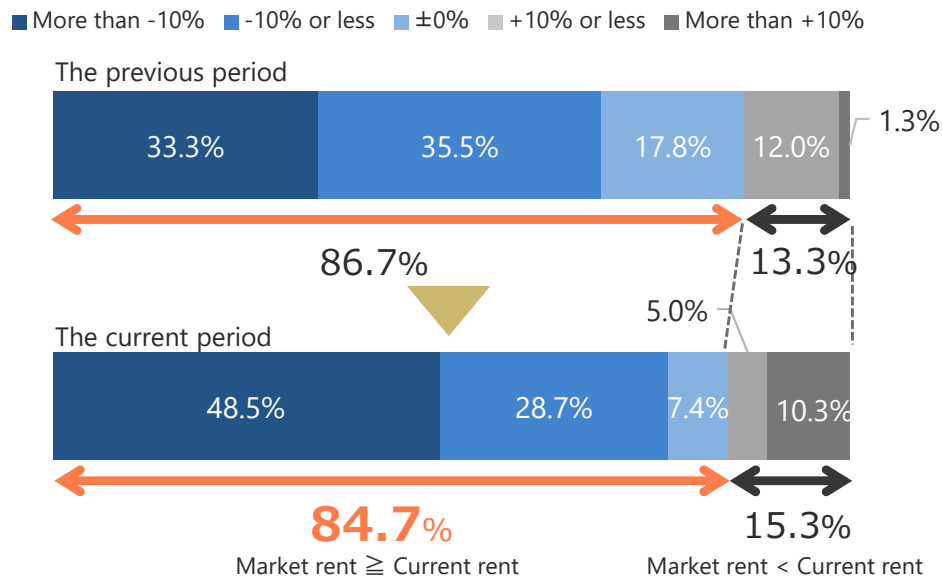
(*2) Forecasts for the 32nd Period are figures confirmed/unofficially confirmed as of the end of April 2019.

2. Internal Growth (4): Rent Revision ② - Future Outlook

Rent increase efforts continued through attempts at eliminating rent gap

Deviation between current contracted rents and market rents

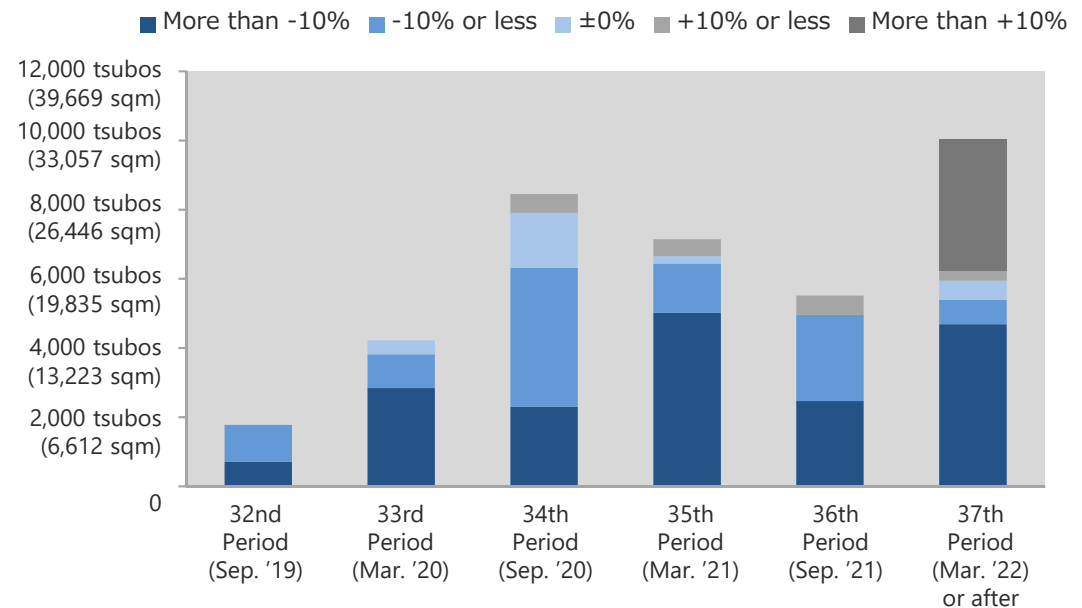
- ◆ Changes in rate of deviation from market rent ^(*1) and proportion of leased area [offices only]



- The gap was partially eliminated as a result of rent increase
- The amount of gap is **8.1%** of current rents (814 million yen/month), equivalent to **410 yen in terms of DPU** (Previously, 7.3% of monthly rents of 751 million yen, equivalent to 369 yen in terms of DPU)

Deviation at the time of each rent revision

- ◆ Rate of deviation and volume of area for rent revision ^(*2) [Offices only]



| Deviation | Future policy |
|---|--|
| <ul style="list-style-type: none"> More than -10% -10% or less ±0% | Aim to increase rent |
| <ul style="list-style-type: none"> +10% or less More than +10% | Basically, maintain the current rent level, but engage in negotiations if the individual circumstances make a rent increase feasible |

(*1) Rate of deviation is an expression of the gap between the market rent and the current rent (contracted rent including common area charges), and is calculated using the following formula:
current contracted rent / market rent - 1.

Figures for market rent are based on rents under new contracts (including common area charges) as estimated by CBRE as of February 2019.

Figures for current contracted rents include rents as formally or informally determined as of the end of April 2019.

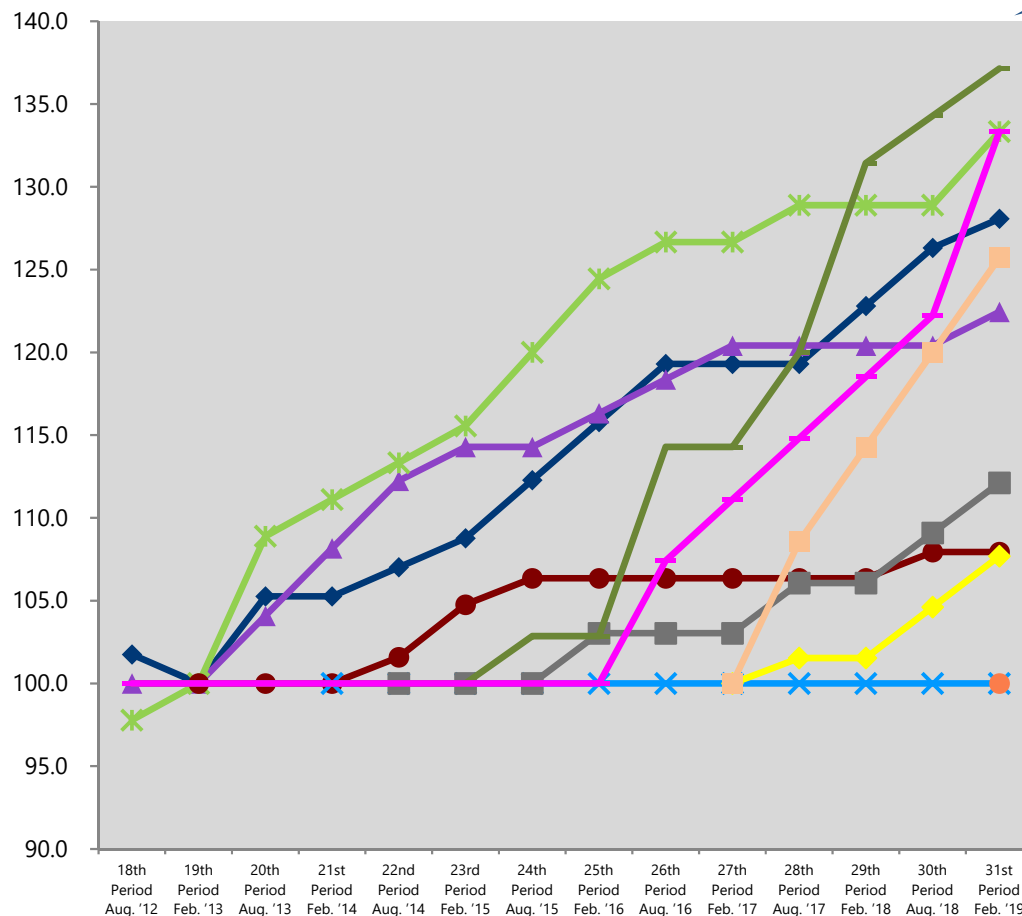
(*2) Contracts for which rents are due to be revised during the 32nd and 33rd Periods and for which the new rent has already been agreed upon are included in the next revision period.

2. Internal Growth (5): Status of Market Rent

■ Market rents of high-quality office buildings continue to show an increasing trend

- An increase from 6 months ago in Otemachi, Hirakawacho, Minami-Aoyama, Shinagawa, Yokohama, Saitama, Midosuji and Yodoyabashi

■ Change in market rents of properties held by GOR



Market rent increased for 8 properties backed by strong tenant demand

Toyosu (Joto area)

- Areas surrounding Toyosu Station continue to have nearly no vacancy, and large buildings under development are also expected to be nearly fully occupied upon completion. The rent level has risen recently against the background of the improved supply-demand balance.

Saitama (Saitama city)

- The vacancy rate of the area ('18Q2→'18Q4) remained almost flat at 0.3%, and still at a super-low level. The increase in the rent level is noticeable as there is no new supply.

Midosuji/Yodoyabashi (Yodoyabashi area)

- The vacancy rate of the area ('18Q2→'18Q4) decreased from 1.3% to 0.6%.
- With no new supply, the rent level continues to show an upward trend.

(*) We used indexation of assumed new contract rents (including common area charges) for properties assessed by CBRE using the following criteria.

- Properties other than Kinshicho, Toyosu, Shinagawa, Yokohama and Midosuji: February 2013=100
- Kinshicho (Acquired in March 2014): February 2014=100
- Toyosu (Acquired in April 2019): February 2019=100
- Shinagawa (Acquired in March 2017): February 2017=100
- Yokohama (Acquired in August 2014): August 2014=100
- Midosuji (Acquired in March 2017): February 2017=100

2. Internal Growth (6): Promotion of Sustainability













- Further promotion of sustainability to participate in GRESB
- New acquisition of DBJ Green Building Certification for 3 properties

Initiatives for participation in GRESB

- ◆ Planning to participate in 2019 GRESB Real Estate Assessment
- ◆ Developed rules, etc. including ESG policies in March 2019 (GAR)
- ◆ Assigned personnel dedicated for ESG promotion (GAR)
- ◆ Planning to open an ESG page on the GOR website (in June 2019)

DBJ Green Building Certification

With 3 properties (Midosuji, Minami-Aoyama and Saitama) newly receiving the certification in March 2019, a total of 6 properties out of 11 properties now have the certification

| ★★★★★ Properties with the best class environmental & social awareness | | ★★★★ Properties with exceptionally high environmental & social awareness | | ★★★ Properties with excellent environmental & social awareness | |
|---|---|--|---|---|---|
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Hirakawacho Mori Tower | ARK Hills Sengokuyama Mori Tower | Yokohama Plaza Building | Meiji Yasuda Life Insurance Osaka Midosuji Building | TK Minami-Aoyama Building | Meiji Yasuda Life Insurance Saitama-Shintoshin Building |

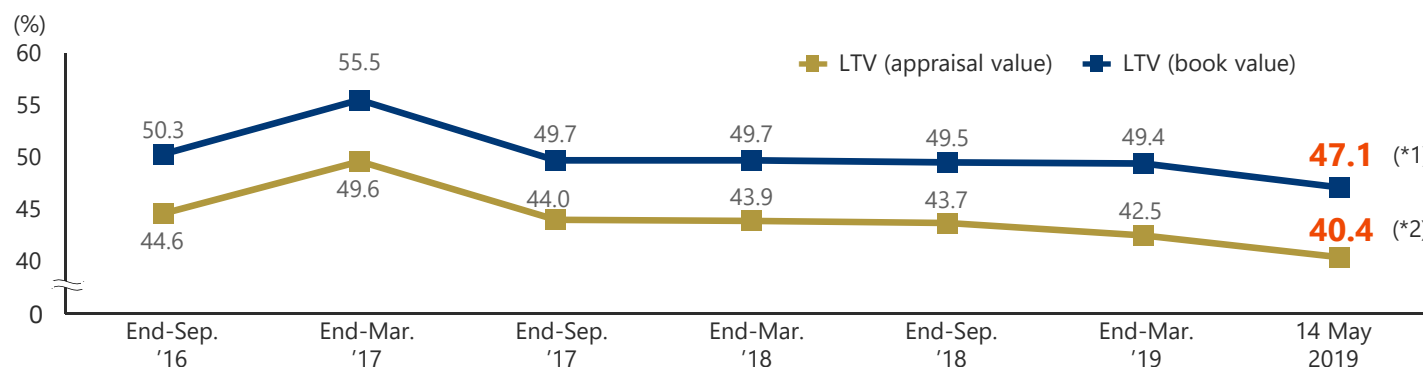
3. Financial Management (1): Overview of Public Offering

- Secured flexibility to acquire quality properties though expansion of capacity to acquire properties in line with lowering of LTV
- Aiming for further profit improvement by utilizing capacity for acquiring properties

- ◆ Procured funds through public offering to cover the difference in sales and purchase prices (8.7 billion yen) in the buy-and-sell transaction on 18 April 2019 and the acquisition expenses

| | |
|--|--|
| Raised amount: Total amounts issued | 8,958 million yen (public offering 8,523 million yen, third-party allotment 434 million yen) |
| Number of new investment units (including third-party allotment) | 76,200 units |
| Number of total investment units issued | 885,684 units (before capital increase) → 961,884 units (after capital increase) |
| Issue price / issue value | 121,680 yen, 117,561 yen |
| Dates issuance resolved / issuance conditions decided | 1 April 2019 / 9 April 2019 |
| Payment dates | Public offering: 16 April 2019 / Third-party allotment: 14 May 2019 |

Overall competitive ratio of demand was more than **11 times**
(*please refer to P68-69 for market comments)



Capacity to acquire properties before LTV reaching 50%

11.8 billion yen
(As of 14 May 2019)

- ◆ Effect on increase in dividends when acquiring new properties utilizing capacity for acquiring properties (*3)

| LTV after utilizing capacity for acquiring properties | Assumed acquisition price | Effect on increase in dividends |
|---|---------------------------|---------------------------------|
| When returning LTV to 49.4% | 9.3 billion yen | +approx. 118 yen/unit |
| When raising LTV to 50.0% | 11.8 billion yen | +approx. 150 yen/unit |

(*1) LTV (book value) as of 14 May 2019 = interest-bearing liabilities as of the end of March 2019 (94,500 million yen) / [total assets as of the end of the period ended March 2019 + amount procured through public offering + amount of cash and deposits that increases or decreases in line with asset replacement and public offering (security deposit, expenses related to property acquisition and disposition, expenses for issuance of new investment units, etc.)]

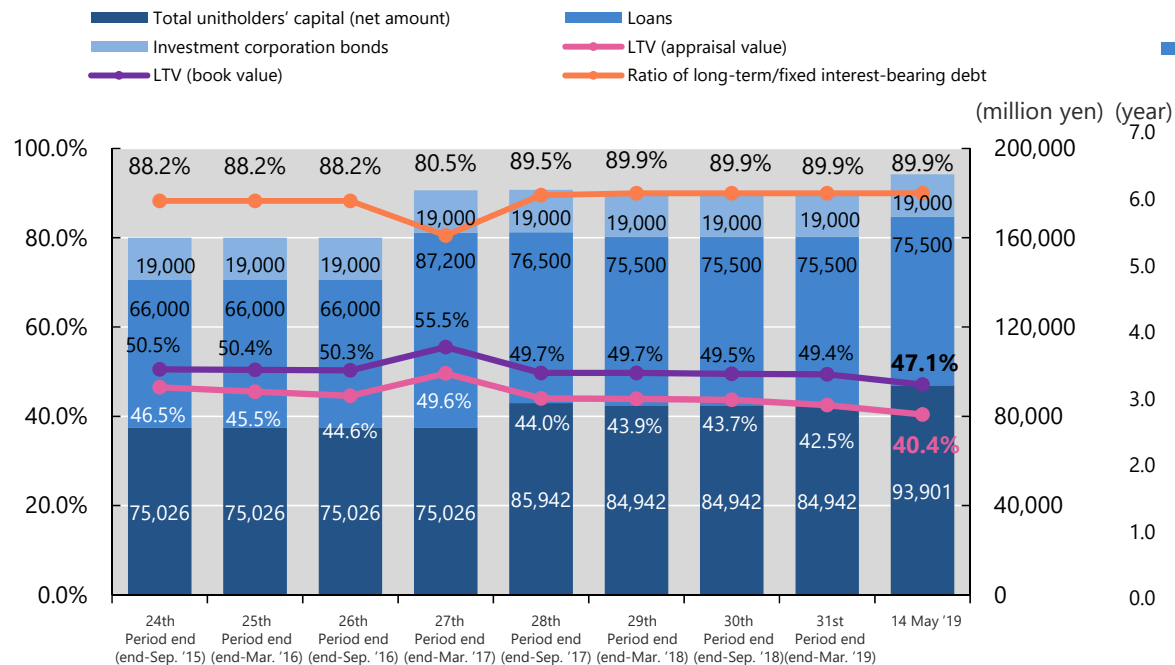
(*2) LTV (appraisal value) as of 14 May 2019 = interest-bearing liabilities as of the end of March 2019 (94,500 million yen) / [total assets as of the end of the period ended March 2019 + amount procured through public offering + amount of cash and deposits that increases or decreases in line with asset replacement and public offering (security deposit, expenses related to property acquisition and disposition, expenses for issuance of new investment units, etc.) + unrealized gain/loss excluding Ginza but including Toyosu]

(*3) The figures are estimated values when assuming that new properties with the same conditions as the average portfolio for the six-month period ended March 2019 (NOI yield: 4.0%, yield, after-depreciation return: 3.2%) were acquired through borrowings at the average interest rate (0.71%, excluding loan-related expenses), and do not guarantee such achievement. The actual amount of

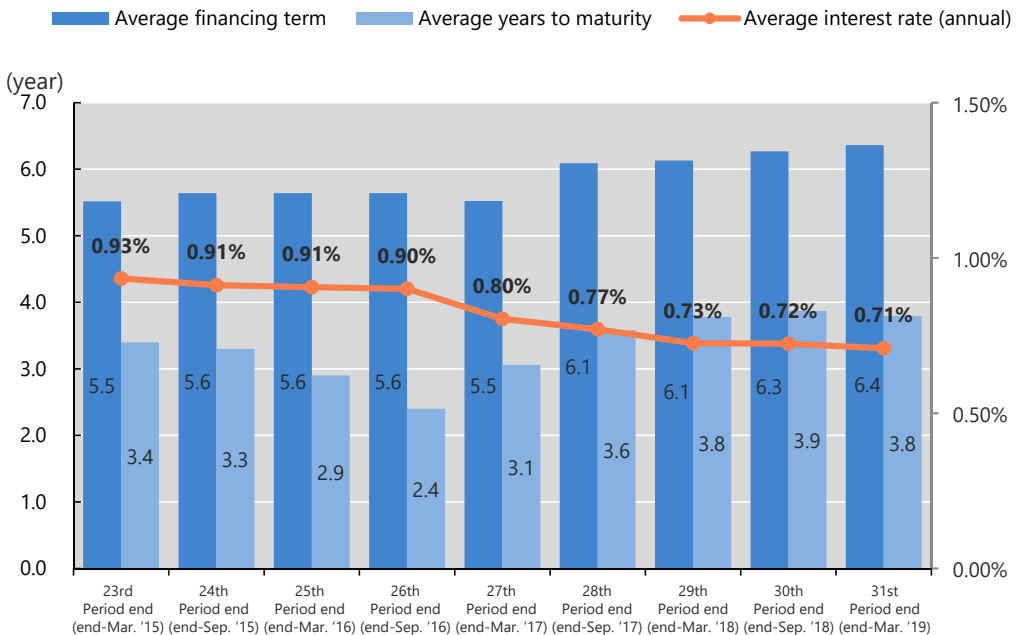
3. Financial Management (2): Historical Overview of Financial Management

■ Achieved lowering of LTV, longer debt terms/fixed interest rates and reduction of financing cost

Breakdown of fund procurement



Condition of interest-bearing liabilities



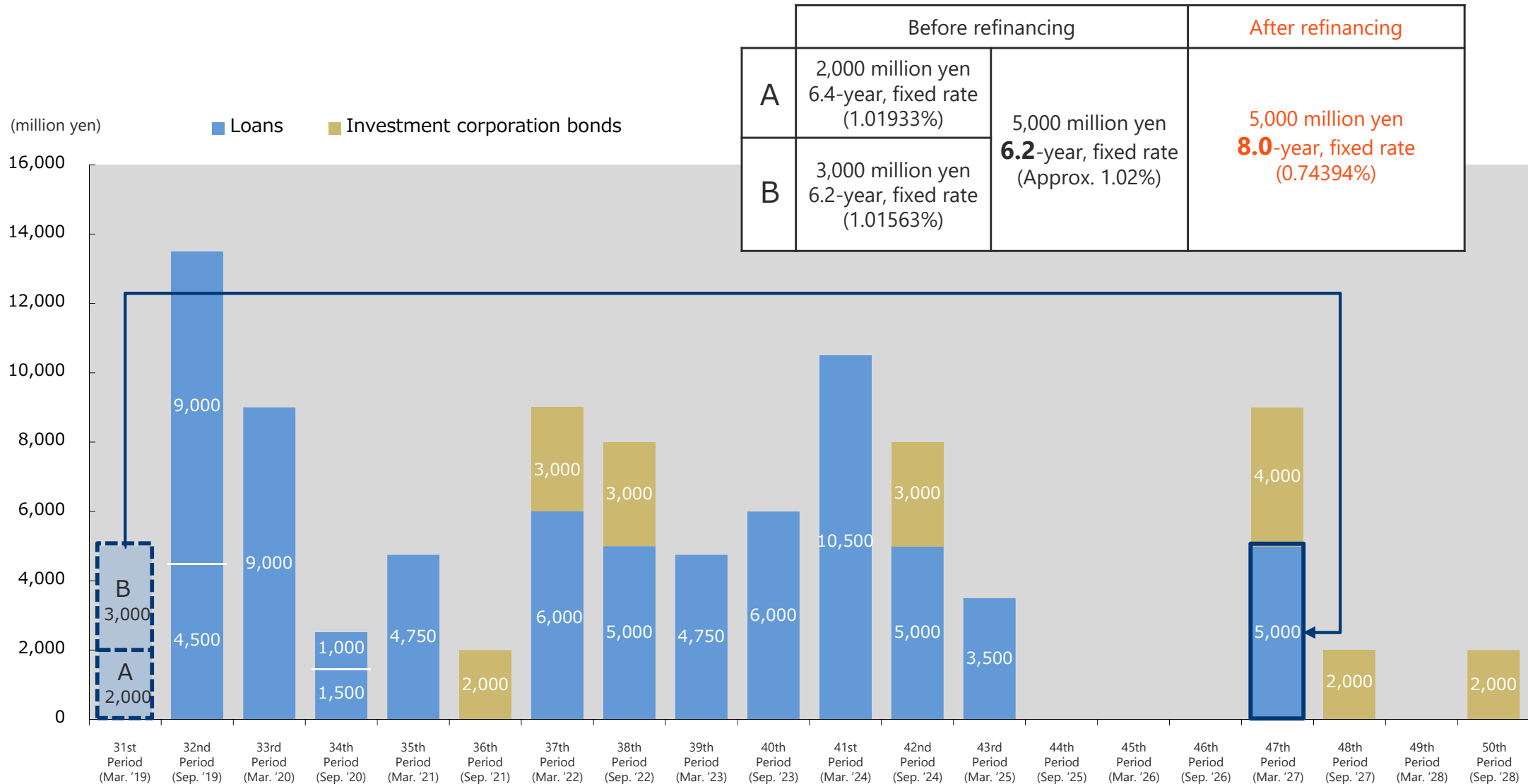
◆ Breakdown of interest-bearing liabilities

| | 30th period end | 31st period end |
|------------------------------|---------------------------|---------------------------|
| Loans | 75,500 million yen | 75,500 million yen |
| Investment corporation bonds | 19,000 million yen | 19,000 million yen |
| Total | 94,500 million yen | 94,500 million yen |

| | 30th period end | 31st period end |
|------------------------------|-----------------|-----------------|
| Average financing term | 6.3 years | 6.4 years |
| Average years to maturity | 3.9 years | 3.8 years |
| Average interest rate | 0.72% | 0.71% |

3. Financial Management (3): Diversified Due Dates of Interest-bearing Liabilities (as of 31 March 2019)

■ Promoted extension of financing terms (6.2 years → 8.0 years) and reduction of financing costs through refinancing



3. Financial Management (4): Expected increase in reserve for reduction entry

■ Allocating part of gain on sale to internal reserves to stabilize future dividends

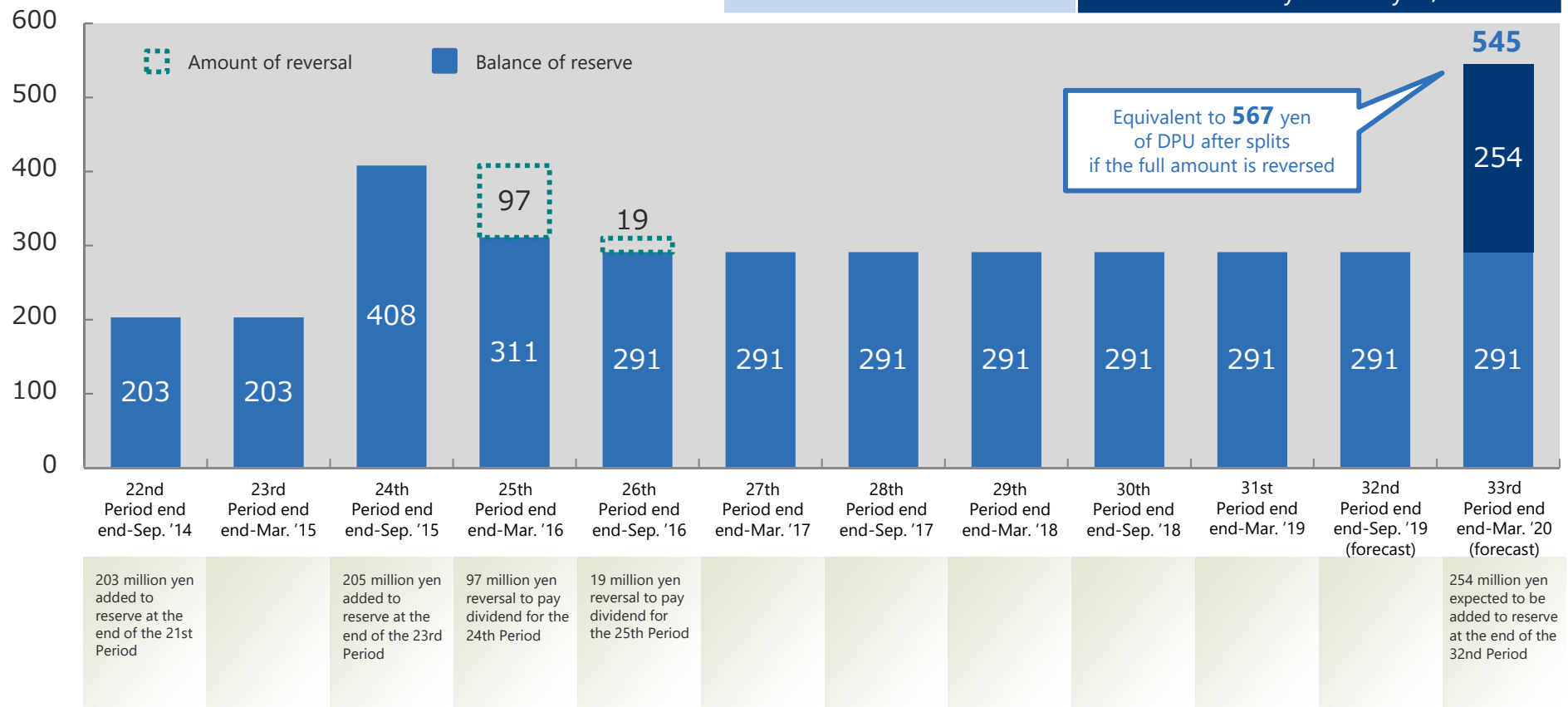
■ Allocate part of the gain on sale of Ginza First Building to internal reserves

In order to stabilize future dividends, GOR plans to retain **reserved funds**, up to 10% of net income for the period (ending September 2019), when gain on sale is recorded by utilizing the special tax treatment for the replacement of assets held for a long period.

■ Balance of reserve for reduction entry

| | |
|--|---|
| Gain on sale of Ginza 655 million yen · 681yen/unit | Distributed amount 401 million yen · 417 yen /unit |
| | Internal reserves 254 million yen · 264 yen/unit |

(million yen)





IV Reference Data

Basic Policies

- ▶ GOR aims to achieve the steady growth of its assets and secure stable profits from a medium- to long-term perspective, operate its finances in a secure manner, and manage its assets with the goal of "maximization of unitholder value."

Investment mainly in superior properties

- ▶ GOR carefully sifts for superior properties that have advantages over rivals and medium- to long-term competitiveness using the key words of "**closer**" (i.e. conveniently situated), "**newer**" (recently built) and "**larger**" (large-sized) and invest in them.

Portfolio Quality and Growth Speed

- ▶ GOR's approach is to take the utmost care not to lose sight by focusing too much on the pace of asset growth and end up investing in properties that may undermine the "maximization of unitholder value" principle, and try to strike the right balance between the quality of assets and the pace of growth and acquire properties on the premise of holding them over the medium to long-term.

Management and Operation

- ▶ GOR seeks to maintain high occupancy ratios and maintain or improve rental revenues. At the same time, GOR aims to constantly manage its properties in ways that optimize the balance between efforts to maintain the quality of property management and reducing costs, in order to optimize property management costs while ensuring tenant satisfaction.

Property Values at the End of Period (as of 31 March 2019)

- Appraisal value of Minami-Aoyama increased 3.2 billion yen from the previous period due to the expected increase in rent accompanying tenant replacement

| Property Name | Acquisition Price (million yen) | Appraisal Value (million yen) (*1) | | | | Variance From Previous Period (million yen) | DC method Cap Rate(%) (*2) | DCF method | |
|---|------------------------------------|------------------------------------|--------------------|--------------------|--------------------|--|----------------------------|-----------------------|---------------------------|
| | | At the time of acquisition | End of 29th Period | End of 30th Period | End of 31st Period | | | Discount Rate(%) (*2) | Terminal Cap Rate(%) (*2) |
| Otemachi First Square | 23,495 | 23,500 | 28,300 | 27,800 | 27,900 | 100 | 2.8 | 2.3 | 2.8 |
| Hirakawacho Mori Tower | 18,200 | 18,800 | 23,700 | 23,700 | 23,700 | — | 3.1 | 2.9 | 3.3 |
| Ginza First Building | 12,282 | 12,500 | 12,200 | 12,400 | 12,400 | — | 3.4 | 3.2 | 3.6 |
| TK Minami-Aoyama Building | 35,000 | 35,040 | 33,600 | 33,900 | 37,100 | 3,200 | 3.2 | 3.1 | 3.2 |
| ARK Hills Sengokuyama Mori Tower | 8,423 | 8,610 | 11,000 | 11,000 | 11,100 | 100 | 3.1 | 2.9 | 3.3 |
| Arca Central (*3) | ① 15,031 | ① 16,600 | 18,200 | 18,200 | 18,200 | — | 3.9 | 3.7 | 4.1 |
| | ② 360 | ② 403 | | | | | | | |
| Shinagawa Seaside West Tower | 12,000 | 12,650 | 12,900 | 12,900 | 13,000 | 100 | 4.0 | 3.8 | 4.2 |
| Yokohama Plaza Building | 17,950 | 17,980 | 20,300 | 20,300 | 20,800 | 500 | 3.9 | 3.6 | 4.1 |
| Meiji Yasuda Life Insurance Saitama-Shintoshin Building | 22,700 | 22,820 | 22,150 | 22,350 | 22,850 | 500 | 4.6 | 4.4 | 4.7 |
| Meiji Yasuda Life Insurance Osaka Midosuji Building | 9,200 | 9,590 | 9,730 | 10,000 | 10,400 | 400 | 3.7 | 3.8 | 3.9 |
| Yodoyabashi Flex Tower | 7,834 | 7,940 | 7,000 | 7,000 | 7,330 | 330 | 4.1 | 3.9 | 4.3 |
| Portfolio as a whole | 182,476 | 186,433 | 199,080 | 199,550 | 204,780 | 5,230 | | | |

(*1) The valuations were rendered by the following appraisers:

Japan Real Estate Institute : Otemachi and Yokohama
Daiwa Real Estate Appraisal Co., Ltd. : Hirakawacho, Ginza, Sengokuyama, Kinshicho, Shinagawa and Yodoyabashi
Chuo Real Estate Appraisal Co., Ltd. : Minami-Aoyama and Saitama
The Tanizawa Sogo Appraisal Co., Ltd. : Midosuji

(*2) Percentages were used for calculations of 31st period term-end appraisals.

(*3) ①: GOR acquired Arca Central on 28 Mar. 2014 (21st Period).

②: GOR acquired Arca Central additionally on 30 May 2014 (22nd Period).

| Property Name | Appraisal Value at the end of 31st Period (million yen) ① | Book Value at the end of 31st Period (million yen) ② | Unrealized gain/loss (million yen) ③=①-② | Change rate of Book Value (%) ③/② |
|---|---|--|--|-----------------------------------|
| Otemachi First Square | 27,900 | 23,296 | 4,603 | 19.8 |
| Hirakawacho Mori Tower | 23,700 | 17,292 | 6,407 | 37.1 |
| Ginza First Building | 12,400 | 11,879 | 520 | 4.4 |
| TK Minami-Aoyama Building | 37,100 | 33,297 | 3,802 | 11.4 |
| ARK Hills Sengokuyama Mori Tower | 11,100 | 8,063 | 3,036 | 37.7 |
| Arca Central (*3) | 18,200 | 16,200 | 1,999 | 12.3 |
| Shinagawa Seaside West Tower | 13,000 | 11,980 | 1,019 | 8.5 |
| Yokohama Plaza Building | 20,800 | 17,391 | 3,408 | 19.6 |
| Meiji Yasuda Life Insurance Saitama-Shintoshin Building | 22,850 | 18,114 | 4,735 | 26.1 |
| Meiji Yasuda Life Insurance Osaka Midosuji Building | 10,400 | 9,512 | 887 | 9.3 |
| Yodoyabashi Flex Tower | 7,330 | 6,567 | 762 | 11.6 |
| Portfolio as a whole | 204,780 | 173,596 | 31,183 | 18.0 |
| Unrealized gain per unit | | | 35,208円 | |

Revenues, Expenses and NOI Return (the 31st Period (ended March 2019))

| | | Otemachi | Hirakawa cho | Ginza | Minami- Aoyama | Sengoku yama | Kinshicho | Shinagawa | Yokohama | Saitama | Midosuji | Yodoya bashi | Total 11 properties |
|--|-------------|----------|-----------------|--------|-------------------|-----------------|-----------|-----------|----------|---------|----------|-----------------|------------------------|
| A. Property-related revenues | million yen | 474 | 544 | 328 | 758 | 247 | 543 | 403 | 494 | 893 | 309 | 225 | 5,224 |
| Rental revenues | million yen | (*) | 544 | 328 | 758 | 247 | 543 | 403 | 494 | 893 | 309 | 225 | 5,223 |
| Other rental revenues | million yen | | — | — | — | — | — | 0 | 0 | 0 | 0 | — | 0 |
| B. Property-related expenses | million yen | 269 | 184 | 162 | 286 | 84 | 263 | 171 | 237 | 410 | 145 | 127 | 2,345 |
| Property management fees | million yen | (*) | 74 | 26 | 62 | 32 | 87 | 39 | 43 | 94 | 37 | 19 | 570 |
| Utilities expenses | million yen | | 11 | 31 | 38 | 5 | 26 | 45 | 25 | 72 | 24 | 16 | 307 |
| Property and other taxes | million yen | | 29 | 47 | 79 | 12 | 58 | 33 | 31 | 60 | 46 | 19 | 524 |
| Casualty insurance | million yen | | 0 | 0 | 1 | 0 | 2 | 0 | 0 | 1 | 0 | 0 | 9 |
| Repairs and maintenance | million yen | | 0 | 14 | 15 | 0 | 4 | 5 | 11 | 37 | 5 | 5 | 122 |
| Depreciation and amortization | million yen | | 68 | 41 | 86 | 33 | 82 | 46 | 124 | 143 | 31 | 65 | 802 |
| Loss on retirement of fixed assets | million yen | | — | — | — | — | — | — | — | — | — | 0 | 0 |
| Other rental expenses | million yen | | 0 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 0 | 1 | 7 |
| C. Profits (A-B) | million yen | 205 | 359 | 166 | 472 | 162 | 280 | 231 | 256 | 483 | 164 | 97 | 2,878 |
| D. NOI (C+Depreciation and amortization) | million yen | 283 | 427 | 207 | 558 | 196 | 363 | 278 | 381 | 626 | 195 | 162 | 3,681 |
| E. Acquisition price | million yen | 23,495 | 18,200 | 12,282 | 35,000 | 8,423 | 15,391 | 12,000 | 17,950 | 22,700 | 9,200 | 7,834 | 182,476 |
| F. NOI return (D×2÷E) | % | 2.4 | 4.7 | 3.4 | 3.2 | 4.7 | 4.7 | 4.6 | 4.2 | 5.5 | 4.3 | 4.1 | 4.0 |
| G. After-depreciation return (C×2÷E) | % | 1.7 | 3.9 | 2.7 | 2.7 | 3.9 | 3.6 | 3.9 | 2.9 | 4.3 | 3.6 | 2.5 | 3.2 |

(*) Otemachi First Square: Broken-down of revenues and expenses are not disclosed, as we have yet to receive permission to disclose it from co-owners.

Top 10 Tenants (as of 30 April 2019)

| | Name of Tenant (Name of End tenant in the case of pass-through) | Type of Business | Property Name | Leased Area (㎡) | Leased area as % of total leased area (%) (*1) |
|-------|---|------------------------------------|--|--------------------|--|
| 1 | Tokyu Land Corporation(*2) | Real estate, Leasing | TK Minami-Aoyama Building | 12,243.57 | 9.3 |
| 2 | Mitsubishi Research Institute DCS Co., Ltd. | Information, Telecommunications | Shinagawa Seaside West Tower | 7,301.32 | 5.5 |
| 3 | (*3) | Construction | Hulic Toyosu Prime Square | 4,856.17 | 3.7 |
| 4 | Life Solutions Company, Panasonic Corporation (*4) | Manufacturing | Yokohama Plaza Building | 3,499.39 | 2.7 |
| 5 | NS United Kaiun Kaisha, Ltd. | Transportation, Postal services | Otemachi First Square | 3,422.58 | 2.6 |
| 6 | (*3) | Information, Telecommunications | Hulic Toyosu Prime Square | 2,980.16 | 2.3 |
| 7 | Mitsubishi Chemical Corporation | Manufacturing | Meiji Yasuda Life Insurance Midotsuji Building | 2,441.31 | 1.9 |
| 8 | Japan Water Agency | Services | Meiji Yasuda Life Insurance Saitama-Shintoshin Building | 2,120.48 | 1.6 |
| 9 | Saitama Labor Bureau | Public services | Meiji Yasuda Life Insurance Saitama-Shintoshin Building | 2,110.58 | 1.6 |
| 10 | (*3) | Wholesale, Retail | Hulic Toyosu Prime Square, Yokohama Plaza Building, Meiji Yasuda Life Insurance Saitama-Shintoshin Building | 2,102.12 | 1.6 |
| Total | | | | 43,077.66 | 32.7 |

(*1) "Total leased area" as of 30 April 2019 is 131,720.17 ㎡.

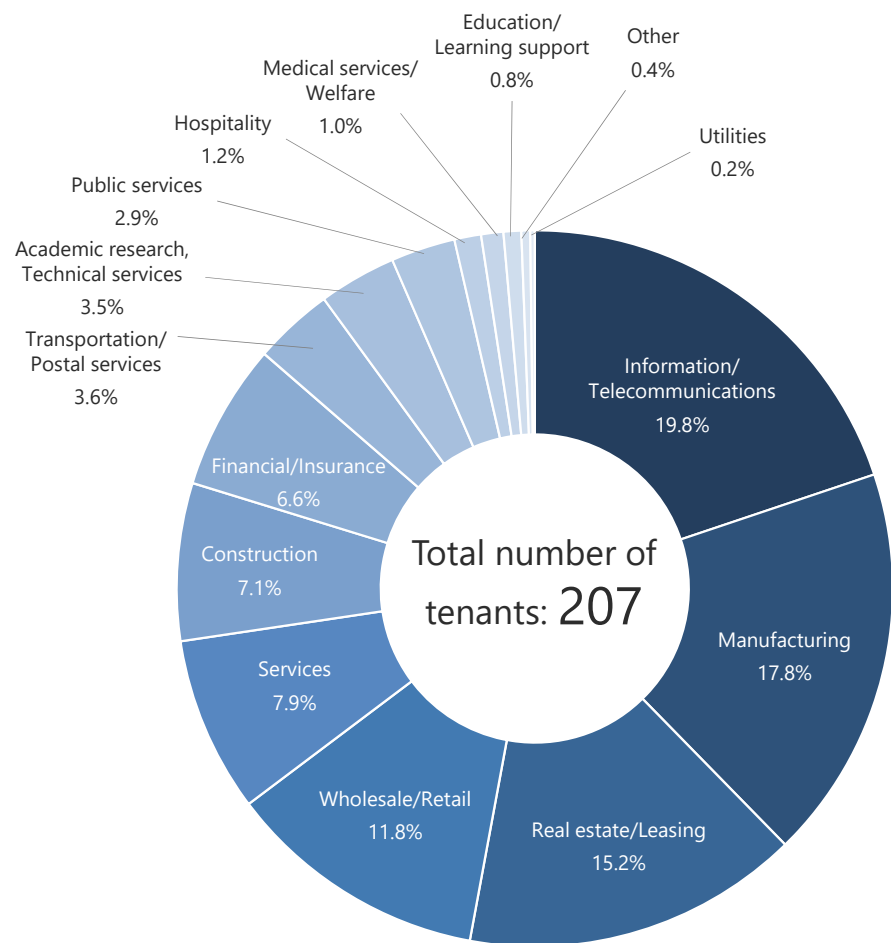
(*2) The lease agreement with the tenant is scheduled to be cancelled on 1 October 2019 for 10,493.14 sqm and on 31 October 2019 for 1,750.43 sqm.

(*3) The name of the tenant remains undisclosed since consent for disclosure has not been obtained from the tenant.

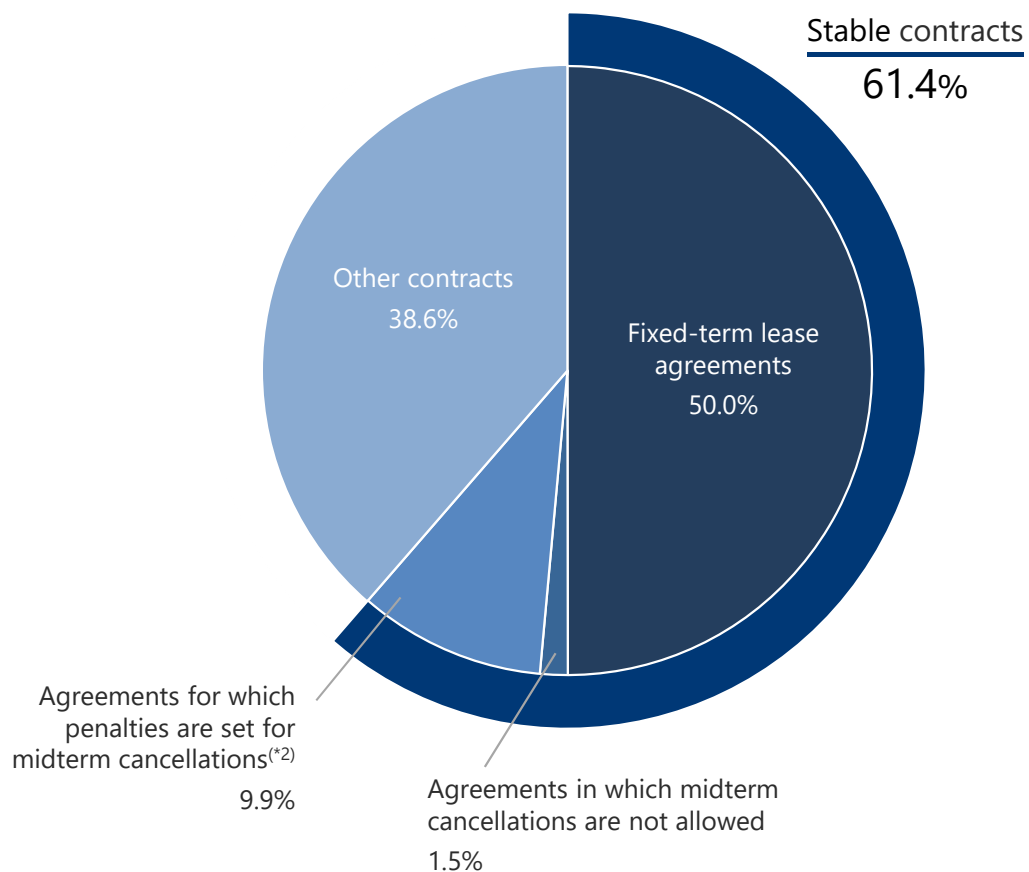
(*4) The company name was changed from Panasonic Corporation Eco Solutions Company on 1 April 2019.

Tenant Industry Ratio and Stable Contract Ratio (as of 30 April 2019)

Tenant by industry



Stable contract ratio



(*) Ratios are calculated based on leased area. Also, in the case of pass-through leases, ratios are calculated using the industry of end-tenant and lease agreement.

(*) "Agreements for which penalties are set for midterm cancellations" refers to lease agreements with penalties equivalent to three months' rent or more for midterm cancellations.



Otemachi First Square



Hirakawacho Mori Tower



TK Minami-Aoyama Building



ARK Hills Sengokuyama Mori Tower



Arca Central



Hulic Toyosu Prime Square



Shinagawa Seaside West Tower



Yokohama Plaza Building



Meiji Yasuda Life Insurance Saitama-Shintoshin Building



Meiji Yasuda Life Insurance Osaka Midotsuji Building



Yodoyabashi Flex Tower

Strategies

Invests in properties with a focus on...

- Market competitiveness
- Competitiveness in the mid-to-long term

Features

"CLOSER" - conveniently situated

Walking Distance : 0 – 5 min.

"NEWER" - newly or recently built

Average age of building : 15.1 years

Portfolio PML : 1.9 %

"LARGER" - large office buildings

Average acquisition price : 17.3 billion yen

Average gross leasable area : 12,014 m²

Portfolio Features ① "CLOSER"

Otemachi First Square



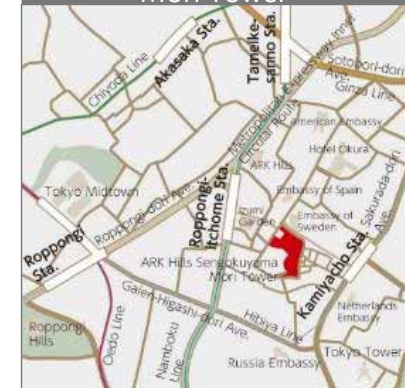
Hirakawacho Mori Tower



TK Minami-Aoyama Building



ARK Hills Sengokuyama Mori Tower



Arca Central



Hulic Toyosu Prime Square



Excellent proximity!

**Zero to
five minute walk
to nearby
train stations!**

Shinagawa Seaside West Tower



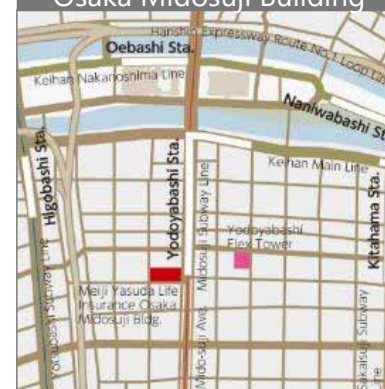
Yokohama Plaza Building



Meiji Yasuda Life Insurance Saitama-Shintoshin Building



Meiji Yasuda Life Insurance Osaka Midosuji Building

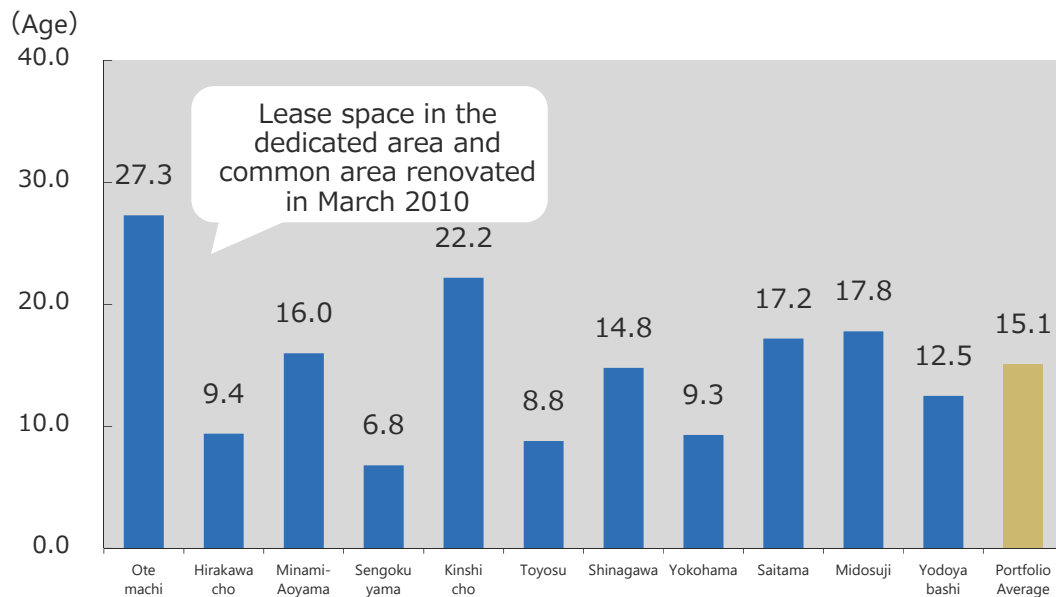


Yodoyabashi Flex Tower



Portfolio Features ② "NEWER" (as of 18 April 2019)

Age of Building



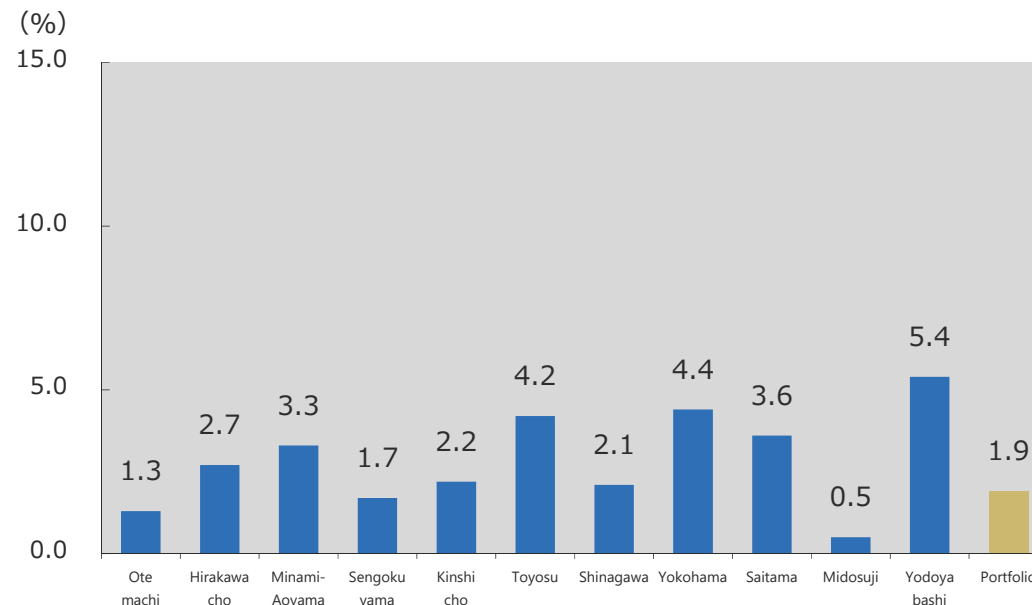
(*1) Based on the age as of 18 April 2019

(*2) Average age of Portfolio properties are weighted average based on gross leasable area.

Average Age of
Portfolio Properties

15.1 years

PML (Probable Maximum Loss in the case of a major earthquake)



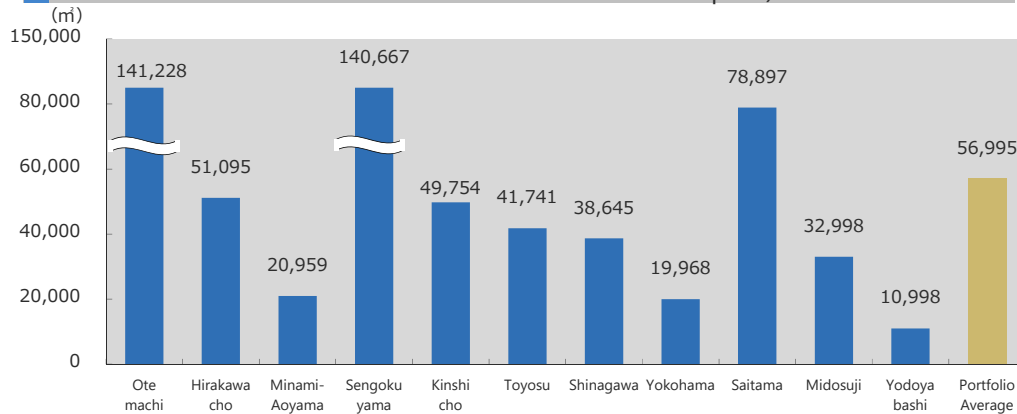
(*) Source – seismic report provided by OYO RMS Corp.

Portfolio PML

1.9 %

Portfolio Features ③ "LARGER" (as of 18 April 2019)

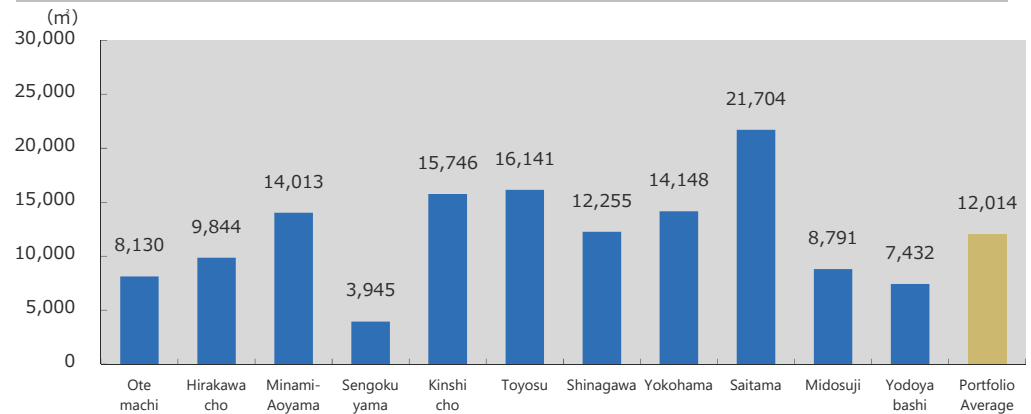
Total Floor Area (including total floor area of the building that contains office condo space)



Total Floor Area per Property

56,995m²

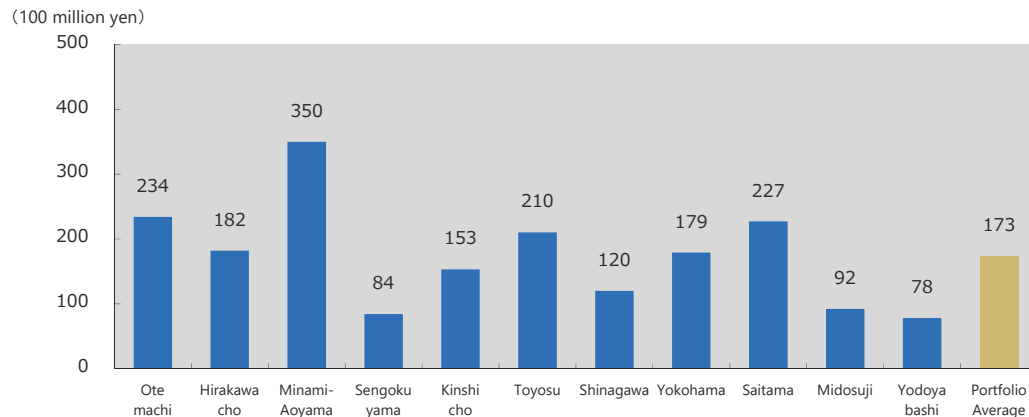
Gross Leasable Area (in the case of co-ownership, floor area in proportion to the interest)



Average Gross Leasable Area per Property

12,014m²

Acquisition Price



Total Acquisition Price

11 properties, 191.1 billion yen

Average Acquisition Price per Property

17.3 billion yen

Total Acquisition Price and Composition Ratio

Major three Metropolitan areas other than Tokyo Metropolitan Area

8.9%

Tokyo suburban areas

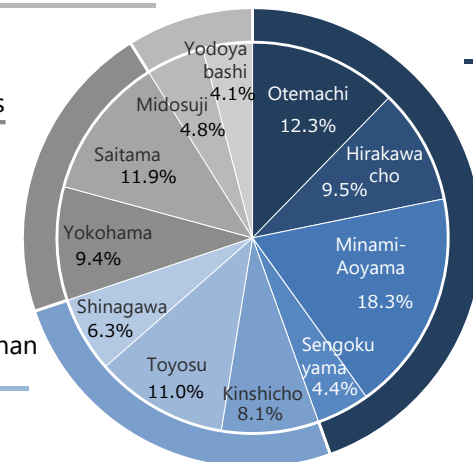
21.3%

Tokyo 23 Wards other than the central 5 Wards

25.3%

Tokyo central 5 Wards

44.5%



(*1) Composition Ratio is calculated based on the acquisition price in proportion to the total acquisition price.

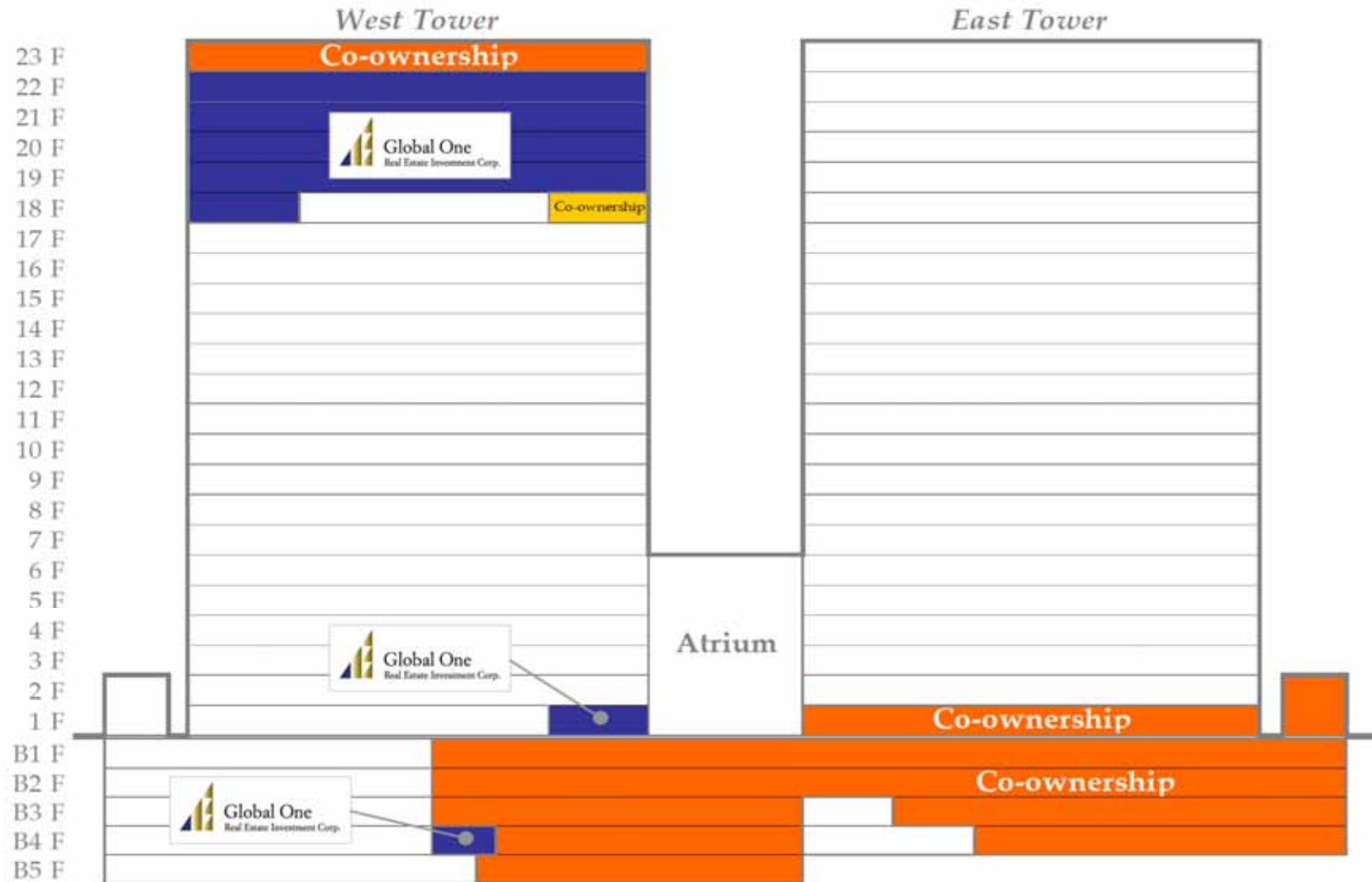
(*2) The Tokyo Central 5 Wards include Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku and Shibuya-ku.

Otemachi First Square



| | |
|---|---|
| Location: | 1-5-1, Otemachi, Chiyoda-ku, Tokyo |
| Land Area: | 10,998.97m ² |
| Floor Area: | 141,228.06m ² (GOR dedicated area = approx. 9.1%) |
| Structure: | 23-story plus 5 basement level S, SRC with a flat roof |
| Year Built: | West Tower : February 1992 East Tower : February 1998 |
| -----The following indicates the GOR-owned space----- | |
| Acquisition Date: | 25 Dec. 2003 |
| Acquisition Price: | 23,495 million yen (less than one million yen rounded down) |
| Appraisal at Acquisition: | 23,500 million yen (as of 1 Jul. 2003) |
| Term-end Appraisal: | 27,900 million yen (as of 31 Mar. 2019) |
| Gross Leasable Area: | 8,131.75m ² (as of 31 Mar. 2019) |
| Occupancy Rate: | 99.8% (as of 31 Mar. 2019) |
| Type of Lease Agreement: | Standard lease Fixed term lease |
| Others: | Major renovations were carried out in March 2010 for the condo space (18F-22F). |

Otemachi First Square (Diagrammatic view)

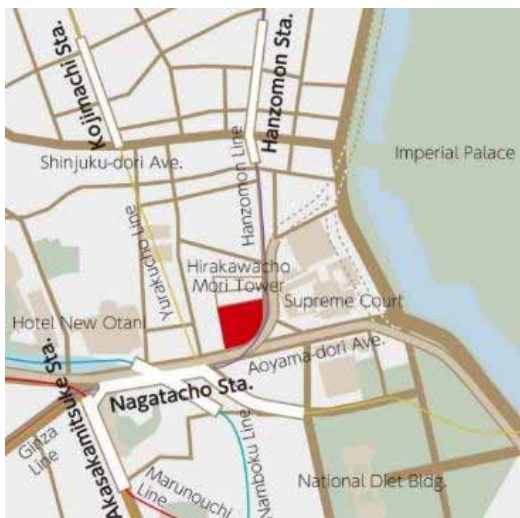


(*1) Ratio of GOR's co-ownership

| Ratio of GOR's co-ownership | Ratio of GOR's co-ownership |
|-----------------------------|-----------------------------|
| 988,726 / 10,000,000 | 320,431 / 3,178,247 |

(*2) The asset that GOR owns is the trust beneficial interest in real estate, and the owner of the real estate is Mitsubishi UFJ Trust and Banking Corporation.

Hirakawacho Mori Tower



Location: 2-16-1, Hirakawacho, Chiyoda-ku, Tokyo

Land Area: 5,592.19m²

Floor Area: 51,094.82m²
(The ownership interest that GOR owns: approx. 26.2%)

Structure: 24-story plus 3 basement level
S, SRC, with a flat roof

Year Built: December 2009

-----The following indicates the GOR-owned space-----

Acquisition Date: 1 Mar. 2011

Acquisition Price: 18,200 million yen

Appraisal at Acquisition: 18,800 million yen (as of 14 Jan. 2011)

Term-end Appraisal: 23,700 million yen (as of 31 Mar. 2019)

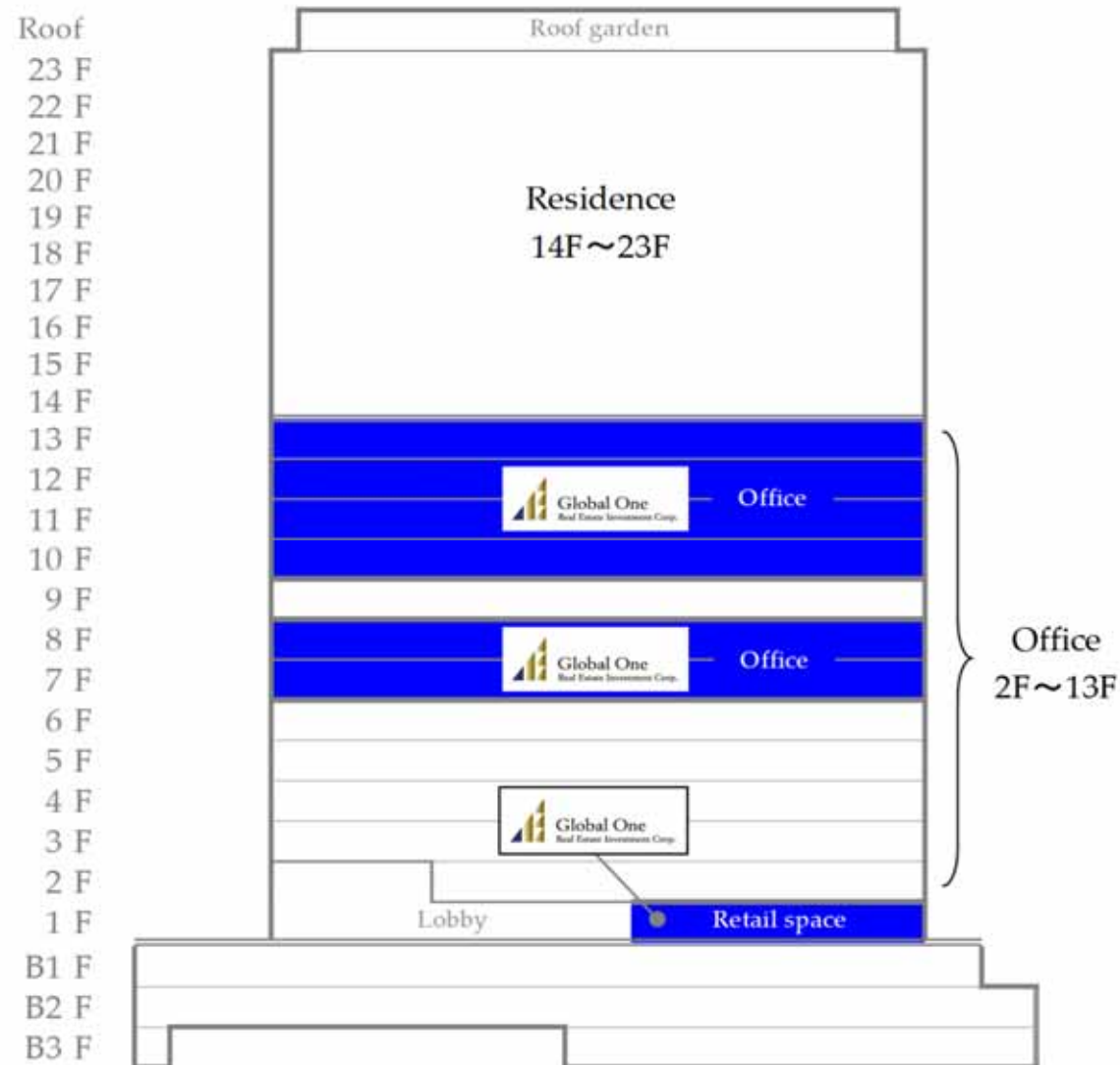
Gross Leasable Area: 9,843.52m² (as of 31 Mar. 2019)

Occupancy Rate: 100.0% (as of 31 Mar. 2019)

Type of Lease Agreement: Standard lease

Others: Master lease contract with Mori Building Co., Ltd.
The period of the fixed rent agreement ended, and the master lease contract was shifted to pass-through type on 1 April 2014.

Hirakawacho Mori Tower (Diagrammatic view)



(*) Area owned by GOR

(*) The asset that GOR owns is the trust beneficial interest in real estate, and the owner of the real estate is Mitsubishi UFJ Trust and Banking Corporation.

TK Minami-Aoyama Building



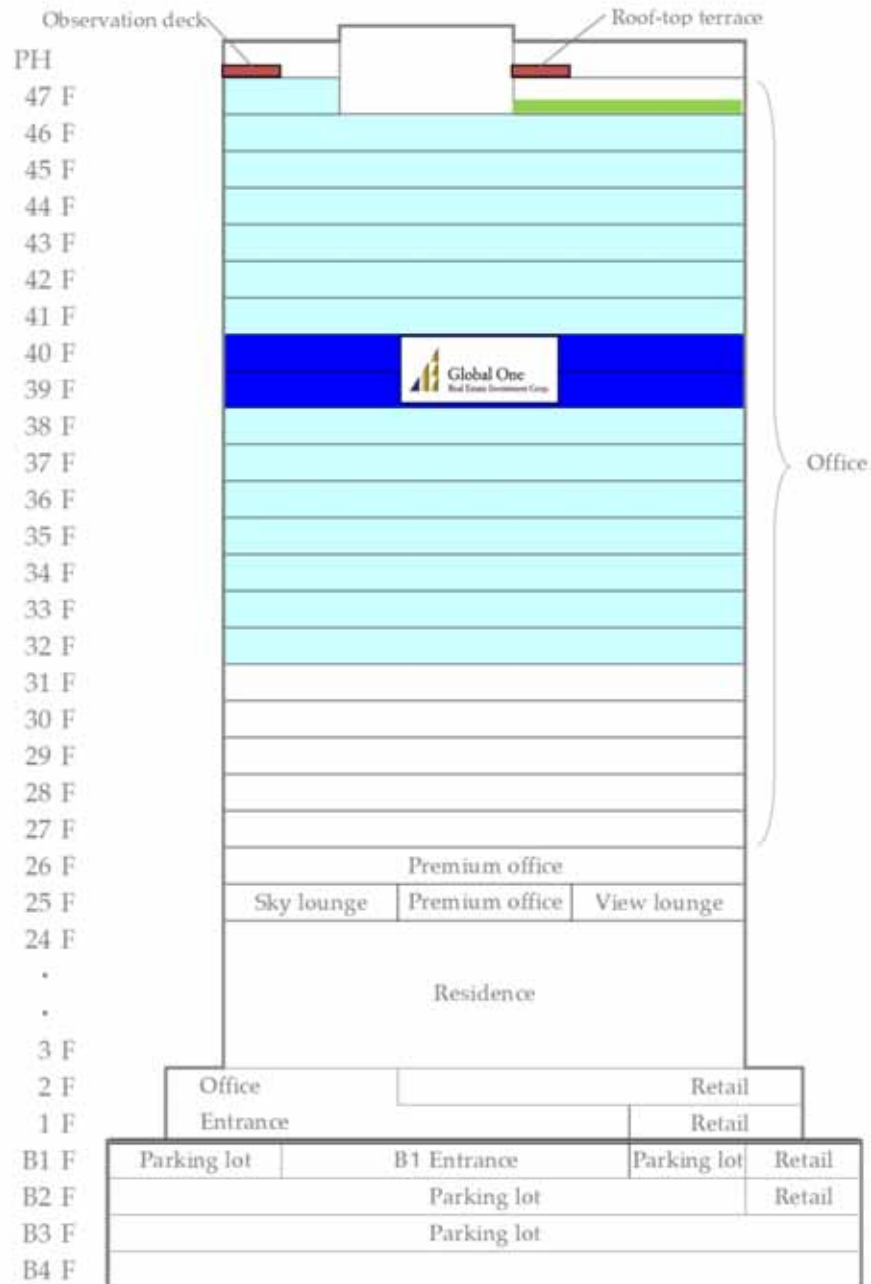
| | |
|----------------------------------|---|
| Location: | 2-6-21, Minami Aoyama, Minato-ku, Tokyo |
| Land Area: | 3,039.08m ² |
| Floor Area: | 20,958.79m ² |
| Structure: | 17-story plus 2 basement level S, SRC with a flat roof |
| Year Built: | May 2003 |
| Acquisition Date: | 21 Oct. 2005 |
| Acquisition Price: | 35,000 million yen |
| Appraisal at acquisition: | 35,040 million yen (as of 31 Jul. 2005) |
| Term-end Appraisal: | 37,100 million yen (as of 31 Mar. 2019) |
| Gross Leasable Area: | 14,012.64m ² (as of 31 Mar. 2019) |
| Occupancy Rate: | 100.0% (as of 31 Mar. 2019) |
| Type of Lease Agreement: | Fixed term lease Standard lease |

ARK Hills Sengokuyama Mori Tower



| | |
|---|--|
| Location: | 1-9-10, Roppongi, Minato-ku, Tokyo |
| Land Area: | 15,367.75m ² |
| Floor Area: | 140,667.09m ² (The ownership interest that GOR owns: approx. 5.6%) |
| Structure: | 47-story plus 4 basement level S, RC, SRC with a flat roof |
| Year Built: | August 2012 |
| -----The following indicates the GOR-owned space----- | |
| Acquisition Date: | 20 Nov. 2012 |
| Acquisition Price: | 8,423 million yen (less than 100 million yen rounded down) |
| Appraisal at Acquisition: | 8,610 million yen (as of 5 Oct. 2012) |
| Term-end Appraisal: | 11,100 million yen (as of 31 Mar. 2019) |
| Gross Leasable Area: | 3,944.81m ² (as of 31 Mar. 2019) |
| Occupancy Rate: | 100.0% (as of 31 Mar. 2019) |
| Type of Lease Agreement: | Standard lease |
| Others: | Master lease with Mori Building Co., Ltd. The period of the fixed rent agreement ended, and the master lease contract was shifted to pass-through type on 1 Dec. 2015. Joint management arrangement (16 floors: 32F – 47F) with other sectional owners |

ARK Hills Sengokuyama Mori Tower (Diagrammatic view)



(*1) Area owned by GOR []

(*2) Joint management areas owned by other sectional owners []

Incorporated via a strategic partnership of three condo owners (Mori Building Co., Ltd., Meiji Yasuda Life Insurance Co., and GOR) so that they can jointly realize profits generated by the joint-management space (16 floors from 32F to 47F); revenues will be distributed to the three condo owners on a pro rata basis.

While GOR owns only two floor space, the adoption of the scheme contributes to the stabilization of income after the fixed rent period of the master lease contract.

(*3) The asset that GOR owns is the trust beneficial interest in real estate, and the owner of the real estate is Mitsubishi UFJ Trust and Banking Corporation.

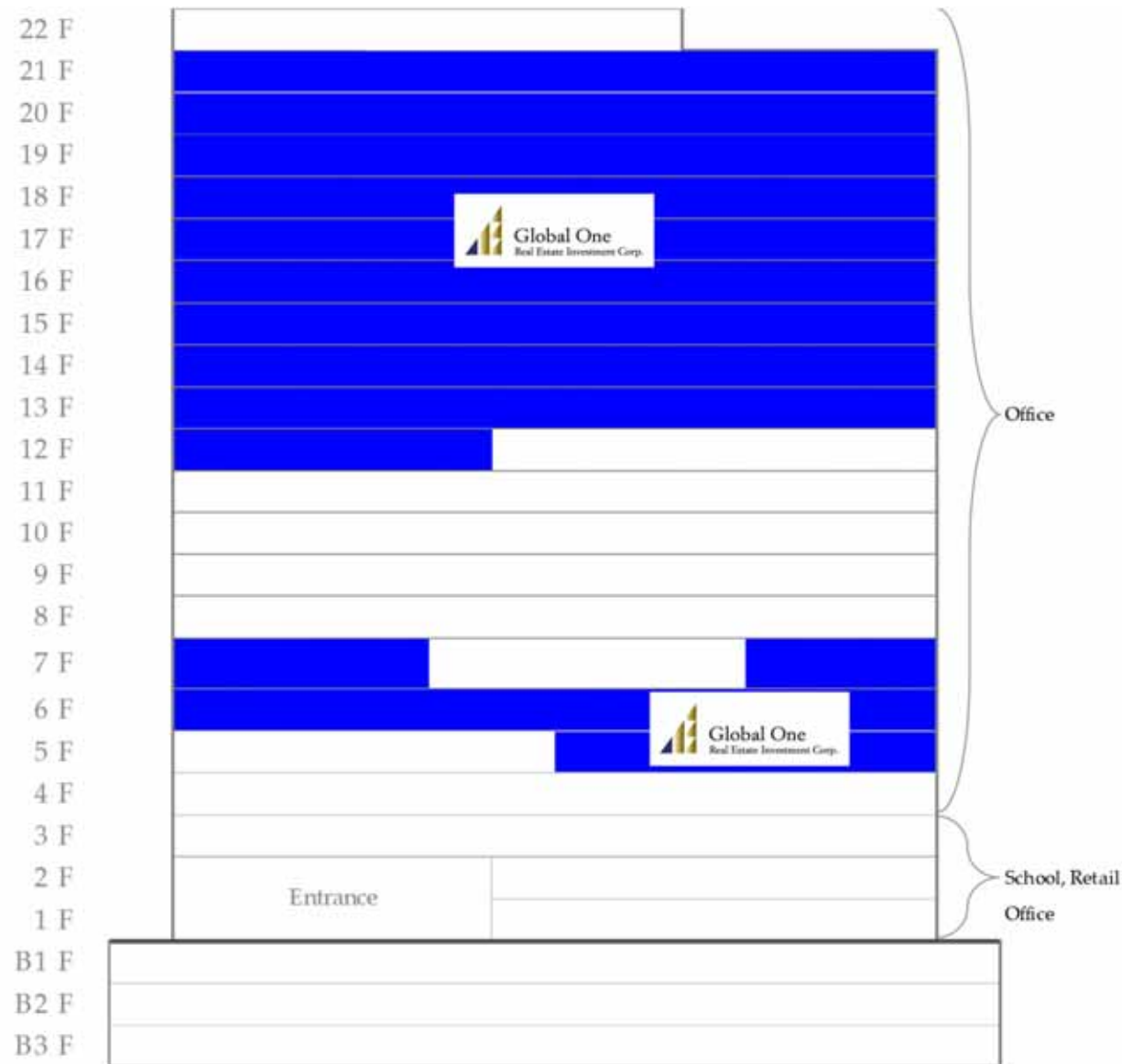


| | |
|--------------------|---|
| Location: | 1-2-1, Kinshi, Sumida-ku, Tokyo |
| Land Area: | 18,100.41m ² (entire Third Block) |
| Floor Area: | 49,753.92m ² (The ownership interest that GOR owns: approx. 57.8%) |
| Structure: | 22-story plus 3 basement level S, partially SRC with a flat roof |
| Year Built: | March 1997 |

-----the following indicates GOR-owned space-----

| | |
|----------------------------------|--|
| Acquisition Date: | 28 Mar. 2014, 30 May 2014 |
| Acquisition Price: | 15,391 million yen (less than 100 million yen rounded down) |
| Appraisal at Acquisition: | 17,003 million yen (as of 20 Feb. 2014 and 1 May 2014) |
| Term-end Appraisal: | 18,200 million yen (as of 31 Mar. 2019) |
| Gross Leasable Area: | 15,746.41m ² (as of 31 Mar. 2019) |
| Occupancy Rate: | 100.0% (as of 31 Mar. 2019) |
| Type of Lease Agreement: | Standard lease |

Arca Central(Diagrammatic view)



(*1) Area owned by GOR



(*2) The asset that GOR owns is the trust beneficial interest in real estate, and the owner of the real estate is Mitsubishi UFJ Trust and Banking Corporation.



Location: 5-6-36, Toyosu, Koto-ku, Tokyo

Land Area: 10,255.07m²

Floor Area: 41,741.18m²

Structure: 12-story
S with a flat roof

Year Built: August 2010

---The following indicates GOR-owned space (50% quasi co-ownership)----

Acquisition Date: 18 Apr. 2019

Acquisition Price: 21,000 million yen

Appraisal at Acquisition: 23,700 million yen (as of 1 Feb. 2019)

Gross Leasable Area: 16,140.86m² (as of 18 Apr. 2019)

Occupancy Ratio: 100.0% (as of 18 Apr. 2019)

Type of Lease Agreement: Standard lease
Fixed term lease

Shinagawa Seaside West Tower



Location: 4-12-2 Higashi-Shinagawa, Shinagawa-ku, Tokyo

Land Area: 5,935.08m²

Floor Area: 38,645.33m²

Structure: 18-story plus 1 basement level
S, SRC, RC with a flat roof

Year Built: August 2004

---The following indicates GOR-owned space (50% quasi co-ownership)----

Acquisition Date: 24 Mar. 2017

Acquisition Price: 12,000 million yen

Appraisal at Acquisition: 12,650 million yen (as of 1 Feb. 2017)

Term-end Appraisal: 13,000 million yen (as of 31 Mar. 2019)

Gross Leasable Area: 12,255.39m² (as of 31 Mar. 2019)

Occupancy Rate: 100.0% (as of 31 Mar. 2019)

Type of Lease Agreement: Standard lease

Yokohama Plaza Building



| | |
|----------------------------------|---|
| Location: | 2-6, Kinkouchi, Kanagawa-ku, Yokohama City, Kanagawa |
| Land Area: | 2,720.30m ² |
| Floor Area: | 19,968.20m ² |
| Structure: | 12-story plus 1 basement level S, SRC with a flat roof |
| Year Built: | February 2010 |
| Acquisition Date: | 1 Aug. 2014 |
| Acquisition Price: | 17,950 million yen |
| Appraisal at Acquisition: | 17,980 million yen (as of 5 Jun. 2014) |
| Term-end Appraisal: | 20,800 million yen (as of 31 Mar. 2019) |
| Gross Leasable Area: | 14,148.34m ² (as of 31 Mar. 2019) |
| Occupancy Rate: | 100.0% (as of 31 Mar. 2019) |
| Type of Lease Agreement: | Standard lease Fixed term lease |

Meiji Yasuda Life Insurance Saitama-Shintoshin Building



Location: 11-2, Shintoshin, Chuo-ku, Saitama City, Saitama Prefecture

Land Area: 7,035.05m²

Floor Area: 78,897.42m²

Structure: 35-story plus 3 basement level
S, SRC with a flat roof

Year Built: March 2002

-----the following indicates GOR-owned space(50% Co-ownership)-----

Acquisition Date: 25 Apr. 2007

Acquisition Price: 22,700 million yen

Appraisal at Acquisition: 22,820 million yen (as of 1 Feb. 2007)

Term-end Appraisal: 22,850 million yen (as of 31 Mar. 2019)

Gross Leasable Area: 21,704.32m² (as of 31 Mar. 2019)

Occupancy Rate: 98.2% (as of 31 Mar. 2019)

Type of Lease Agreement: Fixed term lease

Meiji Yasuda Life Insurance Osaka Midosuji Building



Location: 4-1-1 Fushimi-machi, Chuo-ku, Osaka City, Osaka Prefecture

Land Area: 2,992.26m²

Floor Area: 32,997.60m²

Structure: 14-story plus 3 basement level
S, SRC with a flat roof

Year Built: July 2001

-----the following indicates GOR-owned space(50% Co-ownership)-----

Acquisition Date: 24 Mar. 2017

Acquisition Price: 9,200 million yen

Appraisal at Acquisition: 9,590 million yen (as of 1 Feb. 2017)

Term-end Appraisal: 10,400 million yen (as of 31 Mar. 2019)

Gross Leasable Area: 8,791.18m² (as of 31 Mar. 2019)

Occupancy Rate: 100.0% (as of 31 Mar. 2019)

Type of Lease Agreement: Fixed term lease

Yodoyabashi Flex Tower



| | |
|----------------------------------|--|
| Location: | 3-3-11, Koraibashi, Chuo-ku, Osaka City, Osaka Prefecture |
| Land Area: | 1,692.51m ² |
| Floor Area: | 10,997.50m ² |
| Structure: | 12-story plus 1 basement level SRC with a flat roof |
| Year Built: | November 2006 |
| Acquisition Date: | 31 Jan. 2008 |
| Acquisition Price: | 7,834 million yen |
| Appraisal at acquisition: | 7,940 million yen (as of 1 Nov. 2007) |
| Term-end Appraisal: | 7,330 million yen (as of 31 Mar. 2019) |
| Gross Leasable Area: | 7,432.28m ² (as of 31 Mar. 2019) |
| Occupancy Rate: | 100.0% (as of 31 Mar. 2019) |
| Type of Lease Agreement: | Standard lease |

Financial Indicators

| Title | | Calculations (*) | 27th Period | 28th Period | 29th Period | 30th Period | 31st Period |
|---|-------------|---------------------------|-------------|-------------|-------------|-------------|-------------|
| ① Ordinary profit to total assets | % | $B \div \{(D+E) \div 2\}$ | 0.8 | 0.9 | 0.9 | 1.0 | 1.0 |
| ② (Annualized) | % | | (1.6) | (1.8) | (1.9) | (2.0) | (2.0) |
| ③ Net income to net assets ratio | % | $C \div \{(F+G) \div 2\}$ | 1.9 | 2.1 | 2.1 | 2.2 | 2.2 |
| ④ (Annualized) | % | | (3.8) | (4.3) | (4.1) | (4.3) | (4.5) |
| ⑤ Term-end net assets to total assets ratio | % | $G \div E$ | 40.1 | 45.8 | 45.8 | 45.7 | 45.6 |
| ⑥ Term-end interest-bearing liabilities to total assets ratio | % | $H \div E$ | 55.5 | 49.7 | 49.7 | 49.5 | 49.4 |
| ⑦ NOI (Net operating income) | million yen | $A+I$ | 3,197 | 3,687 | 3,653 | 3,610 | 3,681 |
| ⑧ FFO (Funds from operation) | million yen | $C+I-J$ | 2,270 | 2,651 | 2,693 | 2,682 | 2,744 |

(*) Reference

(Unit : million yen)

| Title | Period | 27th Period | 28th Period | 29th Period | 30th Period | 31st Period |
|--|--------|-------------|-------------|-------------|-------------|-------------|
| A Property-related profits and losses | | 2,378 | 2,796 | 2,767 | 2,819 | 2,878 |
| B Ordinary profit | | 1,453 | 1,761 | 1,808 | 1,892 | 1,943 |
| C Net income | | 1,452 | 1,760 | 1,807 | 1,891 | 1,941 |
| D Total assets at beginning of period | | 169,115 | 191,258 | 192,290 | 190,209 | 190,752 |
| E Total assets at end of period | | 191,258 | 192,290 | 190,209 | 190,752 | 191,231 |
| F Net assets at beginning of period | | 76,743 | 76,770 | 87,995 | 87,042 | 87,126 |
| G Net assets at end of period | | 76,770 | 87,995 | 87,042 | 87,126 | 87,176 |
| H Interest-bearing liabilities at end of period | | 106,200 | 95,500 | 94,500 | 94,500 | 94,500 |
| I Depreciation and amortization | | 818 | 890 | 885 | 790 | 802 |
| J Gain and loss on sale of real estate | | - | - | - | - | - |

<Reference> LTV reflecting term-end portfolio appraisals

① to ⑥: million yen ⑦: %

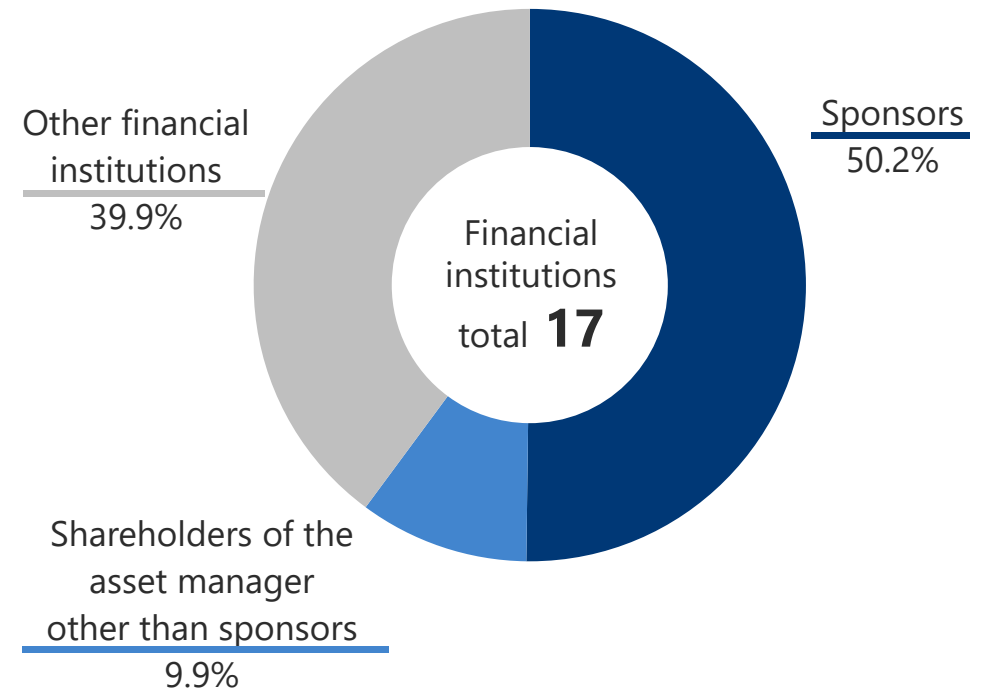
| Title | Period | 27th Period | 28th Period | 29th Period | 30th Period | 31st Period |
|---|--------|-------------|-------------|-------------|-------------|-------------|
| ① Appraisal value at end of period | | 198,010 | 199,610 | 199,080 | 199,550 | 204,780 |
| ② Book value at end of period | | 175,135 | 174,708 | 174,223 | 173,890 | 173,596 |
| ③ (① - ②) | | 22,874 | 24,901 | 24,856 | 25,659 | 31,183 |
| ④ Total assets at end of period | | 191,258 | 192,290 | 190,209 | 190,752 | 191,231 |
| ⑤ (③ + ④) | | 214,132 | 217,192 | 215,065 | 216,412 | 222,415 |
| ⑥ Interest-bearing liabilities at end of period | | 106,200 | 95,500 | 94,500 | 94,500 | 94,500 |
| ⑦ LTV (⑥/⑤) | | 49.6 | 44.0 | 43.9 | 43.7 | 42.5 |

Loans and Rating of Investment corporation bonds (as of 31 March 2019)

- Stabilized bank formation with a focus on the sponsor banks
- JCR Rating: AA— Stable

Lenders

| Lender | UPB (million yen) | Share |
|---|----------------------|---------------|
| ● MUFG Bank, Ltd. | 33,400 | 44.2% |
| ● Development Bank of Japan Inc. | 13,500 | 17.9% |
| ● Sumitomo Mitsui Banking Corp. | 5,250 | 7.0% |
| ● The Bank of Fukuoka, Ltd. | 4,750 | 6.3% |
| ● Meiji Yasuda Life Insurance Co. | 4,500 | 6.0% |
| ● The Norinchukin Bank | 2,600 | 3.4% |
| ● The Iyo Bank, Ltd. | 2,300 | 3.0% |
| ● The 77 Bank, Ltd. | 1,500 | 2.0% |
| ● The Hyakugo Bank, Ltd. | 1,500 | 2.0% |
| ● The Nanto Bank, Ltd. | 1,400 | 1.9% |
| ● ORIX Bank Corp. | 1,000 | 1.3% |
| ● The Ashikaga Bank, Ltd. | 1,000 | 1.3% |
| ● Sompo Japan Nipponkoa Insurance Inc. | 800 | 1.1% |
| ● The Joyo Bank, Ltd. ● The Daishi Bank, Ltd. ● Higashi Nippon Bank, Ltd. | 2,000 | 2.6% |
| ● Tokyo Marine & Nichido Fire Insurance Co., Ltd. | | |
| Total | 75,500 | 100.0% |



Rating of Investment corporation bonds

| credit rating agency | Rating |
|---|--------------------------------|
| Japan Credit Rating Agency, Ltd. (JCR) | Long-term Issuer Rating : AA- |
| | Outlook : Stable |
| | Corporate bonds (issued) : AA- |

◇ Comment from JCR on 22 August 2018

"Since stable fund procurement has been continued with a lender formation that includes the sponsor, there is no special concern regarding the present financial composition."

Breakdown of Interest-bearing Liabilities ①

Breakdown of Loans (as of 31 March 2019)

| Loan type | Lender | UPB (million yen) | Drawdown date | Interest rate | Repayment-due date | Financing term |
|-----------------|--|----------------------|------------------|-------------------------|----------------------------|-------------------|
| Long-term loans | MUFG Bank, Ltd., Development Bank of Japan Inc. and Sumitomo Mitsui Banking Corp. | 4,500 | 18 Oct. 2012 | 1.18288 Fixed | 30 Sep. 2019 (32nd Period) | 7.0 years |
| | MUFG Bank, Ltd., Development Bank of Japan Inc., Sumitomo Mitsui Banking Corp., The Bank of Fukuoka, Ltd., The Iyo Bank, Ltd., ORIX Bank Corp. and The Hyakugo Bank, Ltd. | 9,000 | 01 Aug. 2014 | 0.80289 Fixed | 30 Sep. 2019 (32nd Period) | 5.2 years |
| | MUFG Bank, Ltd., The Norinchukin Bank, Sampo Japan Nipponkoa Insurance Inc., The Iyo Bank, Ltd. and The Nanto Bank, Ltd. | 9,000 | 31 Mar. 2015 | 0.79695 Fixed | 31 Mar. 2020 (33rd Period) | 5.0 years |
| | MUFG Bank, Ltd. and Development Bank of Japan Inc. | 1,500 | 18 Oct. 2012 | 1.37322 Fixed | 30 Sep. 2020 (34th Period) | 8.0 years |
| | Meiji Yasuda Life Insurance Co. | 1,000 | 31 Jan. 2013 | 1.41807 Fixed | 30 Sep. 2020 (34th Period) | 7.7 years |
| | MUFG Bank, Ltd., Sumitomo Mitsui Banking Corp., The Bank of Fukuoka, Ltd., and The 77 Bank, Ltd. | 4,750 | 30 Mar. 2018 | 0.29273 Floating (*) | 31 Mar. 2021 (35th Period) | 3.0 years |
| | MUFG Bank, Ltd., The Bank of Fukuoka, Ltd., The Iyo Bank, Ltd., The Joyo Bank, The Nanto Bank, Ltd., The Ashikaga Bank, Ltd., The Daishi Bank, Ltd., Higashi Nippon Bank, Ltd., The Hyakugo Bank, Ltd. and Tokio Marine & Nichido Fire Insurance Co., Ltd. | 6,000 | 31 Mar. 2017 | 0.59544 Fixed | 31 Mar. 2022 (37th Period) | 5.0 years |
| | MUFG Bank, Ltd., The Bank of Fukuoka, Ltd., Meiji Yasuda Life Insurance Co. and The Iyo Bank, Ltd. | 5,000 | 30 Sep. 2015 | 0.92968 Fixed | 30 Sep. 2022 (38th Period) | 7.0 years |
| | MUFG Bank, Ltd., Sumitomo Mitsui Banking Corp., The Bank of Fukuoka, Ltd., and The 77 Bank, Ltd. | 4,750 | 30 Mar. 2018 | 0.39273 Floating (*) | 31 Mar. 2023 (39th Period) | 5.0 years |
| | MUFG Bank, Ltd., Development Bank of Japan Inc., Sumitomo Mitsui Banking Corp., The Bank of Fukuoka, Ltd., The Nanto Bank, Ltd., The 77 Bank and The Ashikaga Bank, Ltd. | 6,000 | 28 Sep. 2018 | 0.66849 Fixed | 29 Sep. 2023 (40th Period) | 5.0 years |
| | MUFG Bank, Ltd., Meiji Yasuda Life Insurance Co., Development Bank of Japan Inc., Sumitomo Mitsui Banking Corp. and The Bank of Fukuoka, Ltd. | 10,500 | 24 Mar. 2017 | 0.77756 Fixed | 29 Mar. 2024 (41st Period) | 7.0 years |
| | Development Bank of Japan Inc. | 5,000 | 29 Sep. 2017 | 0.75558 Fixed | 30 Sep. 2024 (42nd Period) | 7.0 years |
| | Development Bank of Japan Inc. | 3,500 | 28 Feb. 2018 | 0.79131 Fixed | 31 Mar. 2025 (43rd Period) | 7.1 years |
| | MUFG Bank, Ltd., Meiji Yasuda Life Insurance Co., The Norinchukin Bank, Development Bank of Japan Inc. and Sumitomo Mitsui Banking Corp. | 5,000 | 29 Mar. 2019 | 0.74394 Fixed | 31 Mar. 2027 (47th Period) | 8.0 years |
| Total | | 75,500 | | | | |

(*) The interest rate applies to the period from 30 March 2019 to 26 April 2019.

All loans are unsecured / unguaranteed.

All loans are repaid in one bullet payment on the repayment-due date.

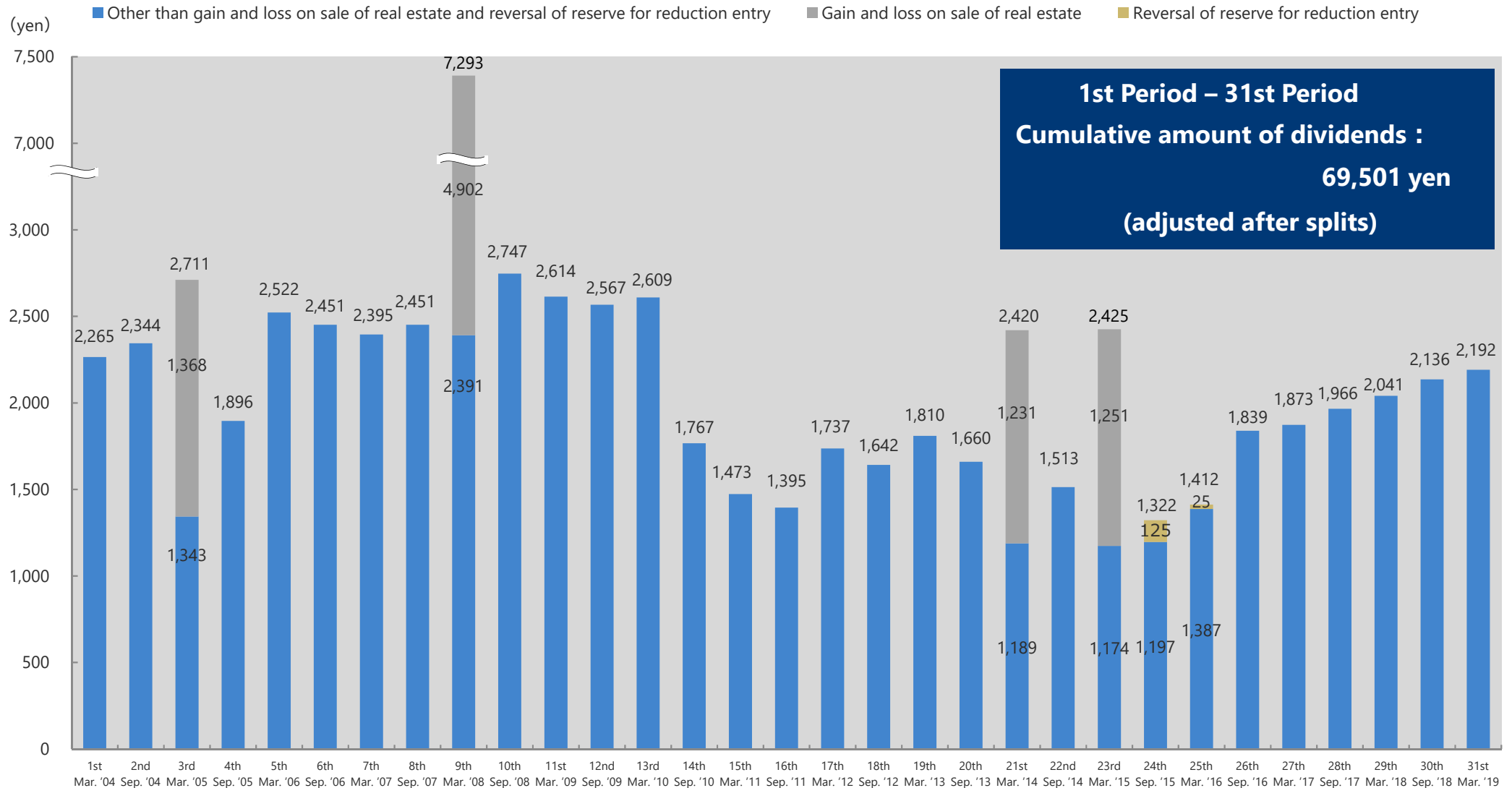
Breakdown of Interest-bearing Liabilities ②

Breakdown of Investment corporation bonds (as of 31 March 2019)

| Bond name (Term) | Balance (million yen) | Date issues | Coupon rate (%) | Collateral/ Guarantee | Maturity date | Redemption method (*) | Use of funds | Covenants | Notes |
|----------------------------|--------------------------|--------------|-----------------------|--------------------------|-------------------------------|---------------------------------|---|--------------------|----------------------------------|
| Series No.12 (3 years) | 2,000 | 27 Sep. 2018 | 0.09 | None/ None | 27 Sep. 2021 (36th Period) | Bullet maturity amortization | Redemption of the Series No.6 unsecured bonds | Negative pledge | Pari Passu clause attached |
| Series No.8 (7 years) | 3,000 | 26 Feb. 2015 | 0.56 | None/ None | 25 Feb. 2022 (37th Period) | Bullet maturity amortization | Repayment of long-term loans | Negative pledge | Pari Passu clause attached |
| Series No.10 (5 years) | 3,000 | 28 Sep. 2017 | 0.28 | None/ None | 28 Sep. 2022 (38th Period) | Bullet maturity amortization | Redemption of the Series No.4 unsecured bonds | Negative pledge | Pari Passu clause attached |
| Series No.7 (10 years) | 3,000 | 29 Sep. 2014 | 0.86 | None/ None | 27 Sep. 2024 (42nd Period) | Bullet maturity amortization | Repayment of long-term loans | Negative pledge | Pari Passu clause attached |
| Series No.9 (10 years) | 4,000 | 17 Oct. 2016 | 0.47 | None/ None | 16 Oct. 2026 (47th Period) | Bullet maturity amortization | Redemption of the Series No.5 unsecured bonds | Negative pledge | Pari Passu clause attached |
| Series No.11 (10years) | 2,000 | 28 Sep. 2017 | 0.63 | None/ None | 28 Sep. 2027 (48th Period) | Bullet maturity amortization | Redemption of the Series No.4 unsecured bonds | Negative pledge | Pari Passu clause attached |
| Series No.13 (10 years) | 2,000 | 27 Sep. 2018 | 0.73 | None/ None | 27 Sep. 2028 (50th Period) | Bullet maturity amortization | Redemption of the Series No.6 unsecured bonds | Negative pledge | Pari Passu clause attached |
| Total | 19,000 | | | | | | | | |

(*) Redemption can be made at any time after the next day of issuance.

Actual Dividends



(*1) Dividend per unit, etc. are calculated based on the assumption that the splits of investment unit were implemented.

(*2) While calculation of the 1st Period starts on 16 April 2003 and ends on 31 March 2004, the actual operating period started on 26 September 2003 (purchased properties on this date) and ended on 31 March 2004, which totals 188 days, or 6 months and 5 days.

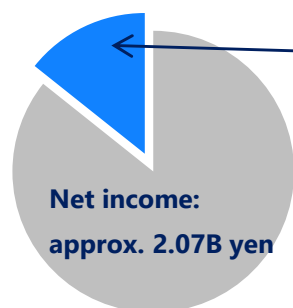
Provision and Reversal of Reserve for Reduction Entry

Securing internal reserves through sale proceeds and tax benefits

Allocate part of the gain from the sale of Kintetsu Shin-Nagoya Building which had been held for a long time, to internal reserves

The 21st Period

【67% co-ownership sold on 27 Mar. 2014】

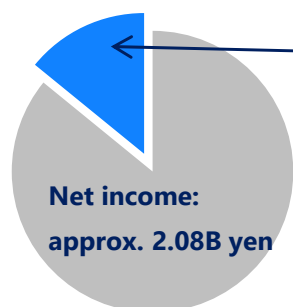


The 22nd Period

~ period of co-ownership ~

The 23rd Period (*)

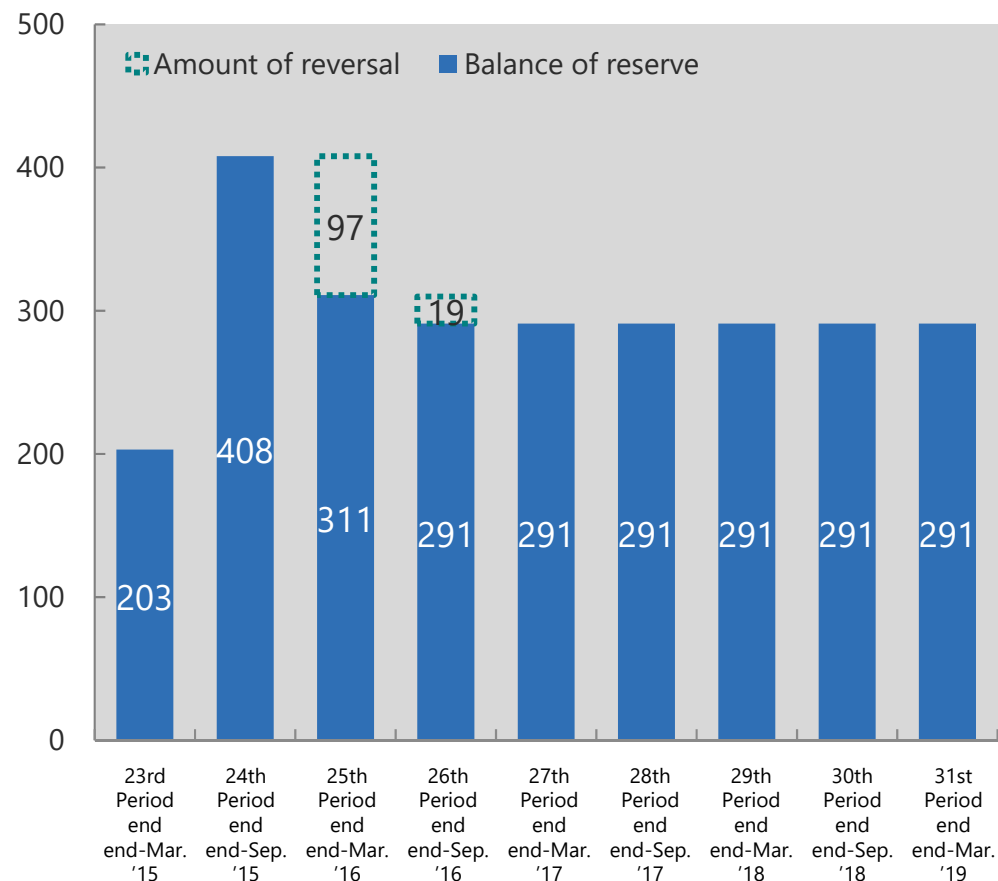
【33% co-ownership sold on 9 Oct. 2014】



(*) This allowance is applicable to the sale of land or buildings located in Japan and owned for over 10 years before 31 Dec. 2014, for the purpose of purchasing land or buildings located in Japan. When a sale is booked under the specified conditions, retention of up to 10% of net income of that fiscal year is allowed in the form of a fund free to draw down.

Balance of reserve for reduction entry

(million yen)



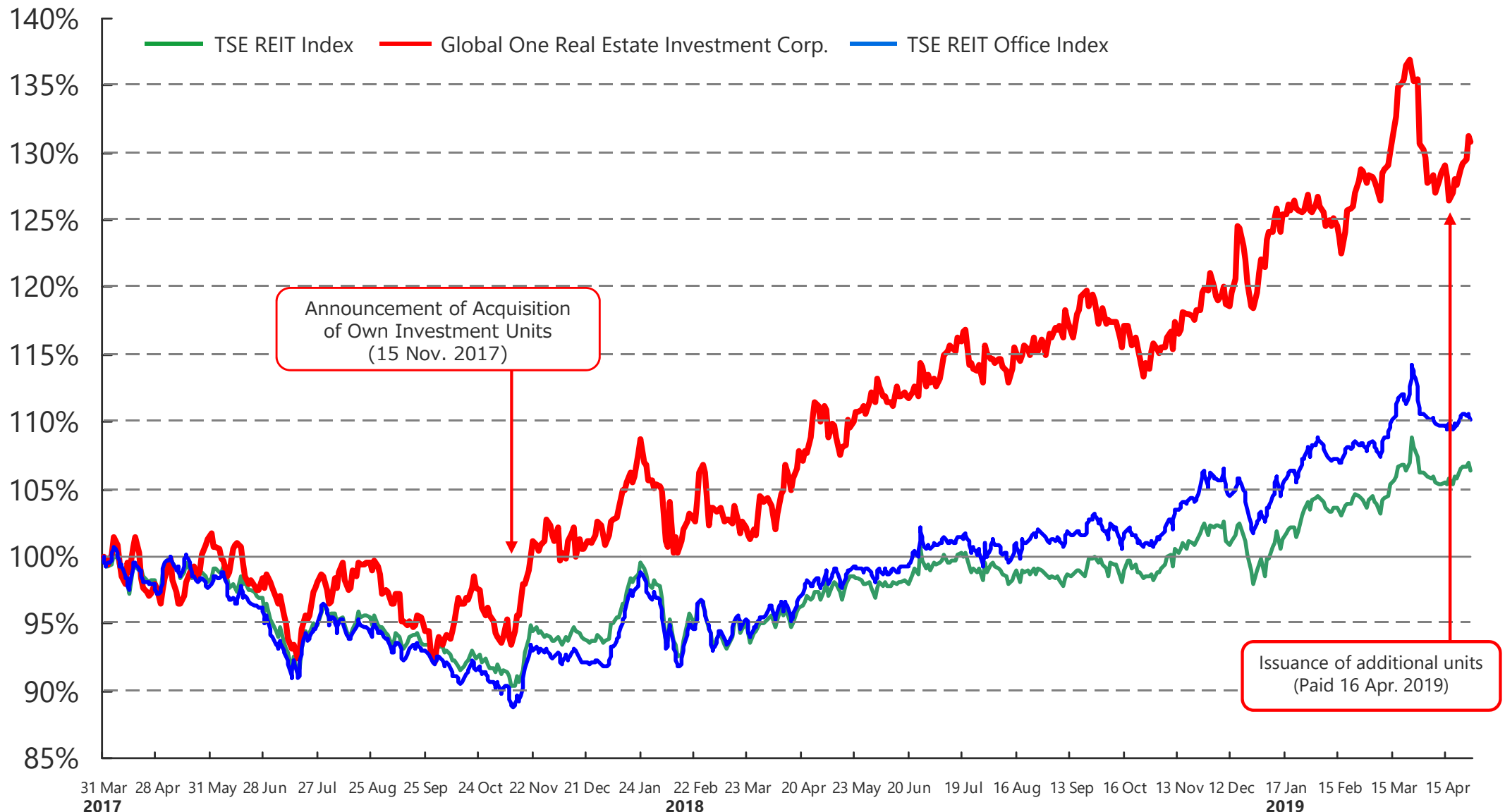
205 million yen added to reserve at the end of the 23rd Period

97 million yen reversal to pay dividend for the 25th Period

19.5 million yen reversal to pay dividend for the 26th Period

Performance Compared to Other Indices^① (31 Mar. 2017 – 30 Apr. 2019)

■ The investment unit price has significantly outperformed the index since the previous public offering



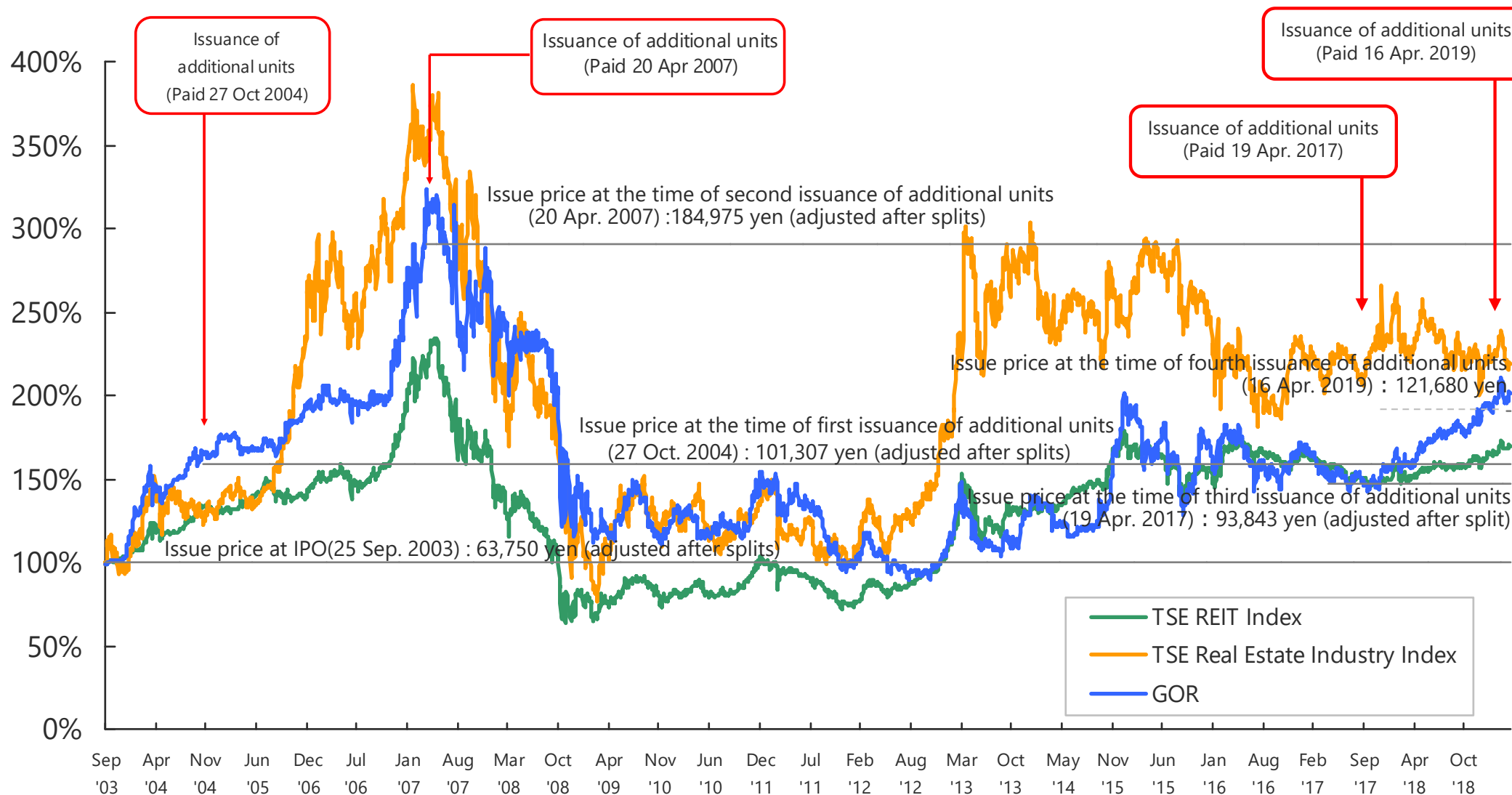
(*1) Prices used for this chart are based on the closing price.

(*2) The indices deem the closing price on 31 March 2017 (98,250 yen: adjusted after split), the day the issuance of new investment units was disclosed, as 100%.

The closing price on 26 April 2019 was 128,500 yen.

Performance Compared to Other Indices② (25 Sep. 2003 – 30 Apr. 2019)

GOR implemented a two-for-one split of investment units with 1 April 2014 as the effective date, and implemented a four-for-one split of investment units with 1 April 2018 as the effective date.

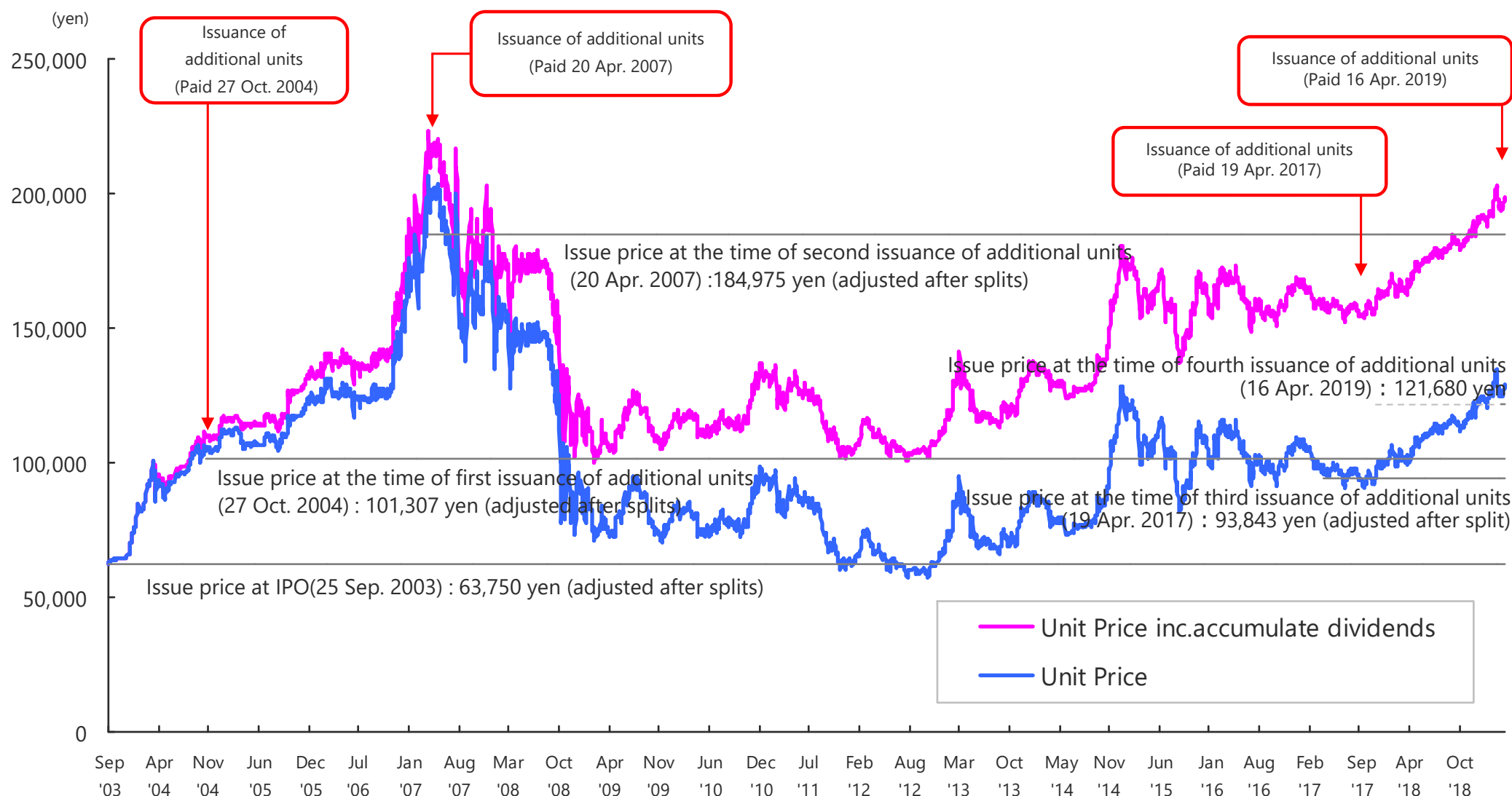


(*1) Prices used for this chart are based on the closing price.

(*2) TSE REIT Index and TSE Real Estate Industry Index: assumes the closing prices on 25 Sep. 2003 are 100%.

Global One Real Estate Investment Corp.: assumes the initial offering price of 63,750 yen (adjusted after splits) is 100%.

Performance Including Accumulated Dividends (25 Sep. 2003 – 30 Apr. 2019)



(*1) Prices used for this chart are based on the closing price.

(*2) Unit price inc. accumulated dividends = Unit price + Accumulated dividends

(*3) GOR implemented a two-for-one split of investment units with 1 April 2014 as the effective date, and implemented a four-for-one split of investment units with 1 April 2018 as the effective date.

In the above chart, unit prices and accumulated dividends before the ex-rights date are calculated based on the assumption that the splits of investment units were implemented.

DealWatch (2019/4/11)

An office REIT Global One Real Estate Investment Corporation ("GOR," TSE Code: 8958) raises funds by issuing new investment units to replace some properties in the portfolio with younger and larger properties, with an aim to achieve external growth and increase NOI.

On April 18, GOR will dispose the real estate trust beneficiary interests in Ginza First Building (Chuo Ward, Tokyo) at 12,600 million yen and will acquire 50% quasi co-ownership in real estate trust beneficiary interests in Hulic Toyosu Prime Square ("Hulic Toyosu", Koto Ward, Tokyo) at 21,000 million yen in a transaction with Fuyo General Lease.

The amount of proceeds from the offering including over-allotment totals approximately 9,200 million yen, which will be allocated towards acquisition price of the new property (net of the transfer price of the transfer property), and towards repayment of loans.

GOR has discussed potential replacement of some properties in the portfolio for the purpose of increasing NOI and expanding the asset size. According to Global Alliance Realty ("GAR"), the asset manager of GOR, "it was intended to carry out transactions in a buy-and-sell style in which more reasonable prices tend to be offered" because GOR may be forced to purchase at a higher price than the actual value when it unilaterally acquires a property, under these circumstances in which market prices of properties located in the Tokyo Metropolitan Area remain high.

This buy-and-sell transaction was offered through a independent channel. The offered price paid well to GOR, and besides, it was determined that acquisition of Hulic Toyosu, the younger property aged 9 years old, the rent of which is lower than those of other buildings located in the same district, would contribute to internal growth with great potential for upward rent revisions. Meanwhile, it is considered difficult to improve NOI of Ginza First Building as the repair of this 20-year-old building will become increasingly costly.

Book value-based LTV will be lowered to 47.1%, from 49.5% as of the end of September 2018, owing to an increase in internal reserves and the public offering. GOR managed to secure financial flexibility as the asset manager said, "LTV can be maintained at 50% or lower even after an acquisition worth 10,000 million yen or cheaper is to be financed by debt only, should the equity market conditions worsen."

During the roadshow in which GAR visited more than 40 investors from April 2 to 5, some of them questioned the reason as to why GOR decided to sell the property located in Ginza, a prestigious area in Tokyo. However, "a large majority of the investors was satisfied" with the GOR's explanation about its aim of the asset replacement, according to a bookrunner. The acquisition price of Hulic Toyosu was also deemed appropriate by the investors.

While it is not directly related to the acquisition and transfer, investors also highly appreciated GOR's agreement on conclusion of a lease agreement with a new tenant at TK Minami-Aoyama Building (Minato Ward, Tokyo) at a rent which is more than 15% higher than that of the current tenant. The current core tenant will leave the property in October this year.

The originally planned tranche split between institutional and retail investors was 55:45; however, the final tranche split was 60:40 due to strong demand indicated by institutional investors. The total demand compared to the offering size was 11x oversubscribed, with the institutional and retail tranches oversubscribed at 14x and 7x, respectively.

By Yasunori Fukui of DealWatch / Refinitiv)

CapitalEye (2019/4/11)

The marketing period of the public offering of Global One Real Estate Investment Corporation ("GOR") ended on April 5. The transaction review is as follows. The deal was launched when the unit price began to show an upward trend after the completion of the tenant replacement at TK Minami-Aoyama Building ("TK Minami-Aoyama"). GOR decided to acquire 50% quasi co-ownership interest in Hulic Toyosu Prime Square ("Hulic Toyosu") and transfer Ginza First Building through a transaction with Fuyo General Lease, and the difference of 8,885 million yen will be raised through this offering. While the number of assets in the portfolio will be unchanged at 11 before and after the offering, the asset size will increase from 182.4 billion yen to 191.1 billion yen.

On March 15, 2019, GOR announced the lease termination based on the cancellation of agreement with Tokyu Land Corporation ("Tokyu Land"), the current tenant of the entire property of TK Minami-Aoyama, as well as the agreement to conclude a lease agreement with a new tenant at a rent per month that will increase by 15% or more compared to that of the current tenant. While the name of the new tenant is not disclosed, GOR will conclude a 10-year fixed-term building lease agreement on the next day of the cancellation date of the current lease agreement. Rent for rent-free period can be compensated by the cancellation fee revenues to be received from Tokyu Land, which notified its intention to cancel the agreement before its expiry in March 2018. GOR's next move has been the center of attention because this property accounts for 10% of its portfolio. The news release was favorably received by the market, after which GOR's investment unit price reached 134,800 yen on March 25, the highest price in 10 years.

Tranche split between retail and institutional investors is 40:60. The portion of this small-scale offering allocated to institutional investors was originally 55% and then increased by 5% given demand indicated during the bookbuilding period. The deal was more than 11x oversubscribed, 7x and 14x at the retail and institutional tranches, respectively. A person involved in the deal said, "the deal has good reason to gain popularity as all possible positive factors are included in this deal: a small-sized deal, anticipated higher prices of offices in the Tokyo Metropolitan Area, DPU increase and rent increase in the flagship property with no downtime."

The issuer visited more than 40 investors during the 4-day roadshow held from April 2 to 5. Contrary to the positive views on the series of measures relating to TK Minami-Aoyama, investors showed surprise at GOR's decision to sell the building in Ginza and buy a property in Toyosu. GOR explained that Hulic Toyosu meets GOR's investment policy of acquiring "Closer, Newer and Larger" properties as well as about potential burden of increased repair costs for Ginza First Building, which is now 20 years old.

The acquisition price of Hulic Toyosu is 21,000 million yen, which is 11% below the appraisal value of 23,700 million yen. NOI yield on an appraisal basis and that after depreciation is 4.3% and 3.6%, respectively. The transfer price of Ginza First Building is 12,600 million yen, which exceeds the book value by 750 million yen. Global Alliance Realty ("GAR") said, "It can be acquired on favorable terms because the transaction is conducted in a buy-and-sell style" and a connection with Fuyo General Lease was "built leveraging industry pipeline." A certain bookrunner mentioned that "some investors were impressed with the fact that GOR figured out how to achieve external growth this way," despite the fact that J-REITs not affiliated with a developer often face difficulties with acquisition.

GOR upwardly revised the DPU forecast for the fiscal period ending September 30, 2019 by 10.5%, owing to the public offering and the asset replacement. The stabilized level of DPU increase is estimated at 4.2%, considering the internal growth backed by the rent gap. According to GAR, "Though GOR tries to close the rent gap by increasing rent at every contract renewal, the gap has not been filled yet as the market prices are also increasing." Its DPU growth rate is much larger than 2%, the average DPU growth in a J-REIT follow-on offering.

Book value-based LTV is to be lowered from 49.5% to 47.1% since all funds for acquisition are raised through equity financing, which will generate 11,600 million yen of acquisition capacity (with maximum LTV being 50%). GAR took pride in GOR's ability to achieve more than 4% DPU increase despite the full-equity-financing and to demonstrate its strong growth potential. Meanwhile, some international investors complained about the decline in equity value and pointed out the need for asset replacement that will lower LTV.

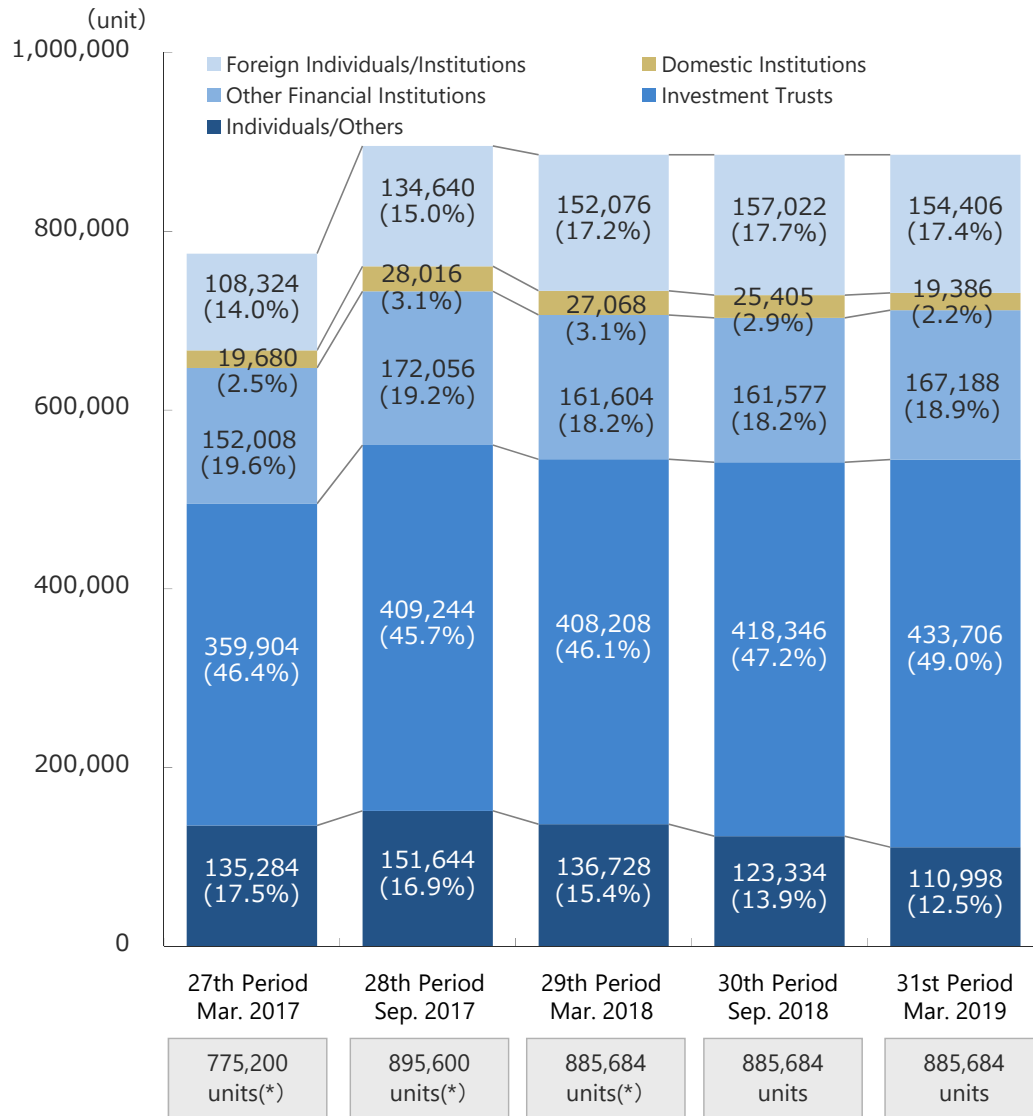
Nomura Securities is selected as one of the bookrunners this time, replacing Daiwa Securities acting as a bookrunner in the previous deal, for the reason that "the equity story proposed by Nomura was highly thoughtful and suggestive," according to GAR. The proposed equity story including a higher ratio of proceeds allocated to property acquisition than ordinary REIT offerings to lower LTV and a target of increasing market capitalization to aim to be a constituent of global REIT indices met the issuer's needs.

NAV per unit after the offering is to be 127,185 yen, representing NAV multiple of about 1x. The investment unit price declined by 2.8% during the period from launch to pricing. The closing price on April 11 was 126,300 yen, 0.47% (600 yen) higher than that of the previous day.

By Nagisa Ikebe of CAPITAL EYE News

Unitholder Segment, Top 10 Unitholders (as of 31 March 2019)

of units by unitholder segment



(*) GOR implemented a four-for-one split of investment units with 1 April 2018 as the effective date. The figures for the 27th through the 29th Period are adjusted for the investment unit split.

Top 10 Unitholders

| | Name of unitholders | # of units held | Percentage to the total number of units issued (%) (*) |
|----|--|-----------------|--|
| 1 | The Master Trust Bank of Japan Ltd. (Trust Acc.) | 210,038 | 23.71 |
| 2 | Japan Trustee Services Bank, Ltd. (Trust Acc.) | 202,507 | 22.86 |
| 3 | Trust & Custody Services Bank, Ltd. (Securities Investment Trust Acc.) | 53,607 | 6.05 |
| 4 | The Nomura Trust and Banking co., Ltd. (Investment Trust Acc.) | 41,800 | 4.71 |
| 5 | STATE STREET BANK AND TRUST COMPANY 505012 | 12,814 | 1.44 |
| 6 | DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO | 12,681 | 1.43 |
| 7 | STATE STREET BANK WEST CLIENT - TREATY 505234 | 11,538 | 1.30 |
| 8 | The Aichi Bank, Ltd. | 8,172 | 0.92 |
| 9 | Rakuten General Insurance Co., Ltd. | 7,200 | 0.81 |
| 10 | BBH FOR DWS RREEF GLOBAL REAL ESTATE SECURITIES FUND | 7,153 | 0.80 |
| | Total | 567,510 | 64.07 |

(*) Percentages less than the second decimal place are rounded down.

Global Alliance Realty Co., Ltd.

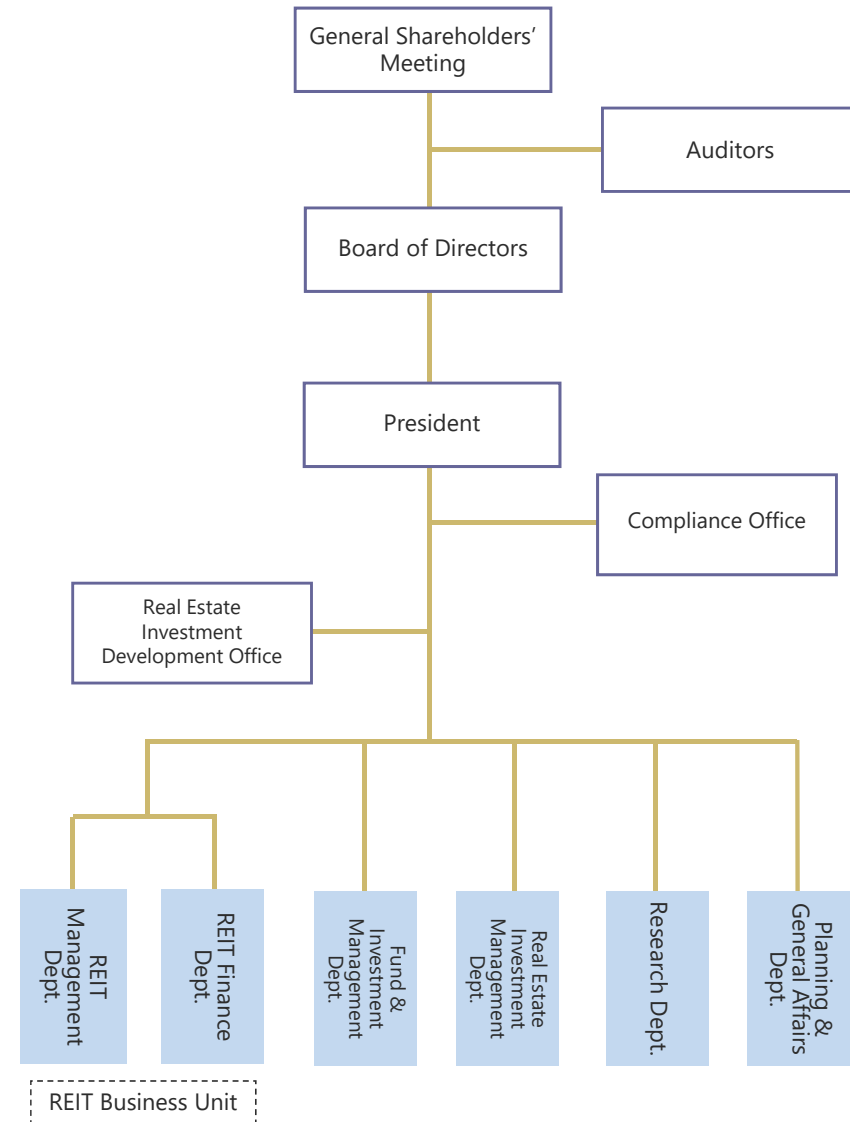
("GAR") is a licensed financial instruments business operator with registration No. 322 granted by the Director-General of the Kanto Local Finance Bureau, a member of the Investment Trusts Association, Japan and a member of Japan Securities Investment Advisers Association.

Representative: President Kenji Kojo
Location of Headquarters: 4-1 Kojimachi, Chiyoda-ku, Tokyo
Incorporation: 1 July 2002
Capital: 400 million yen

Sponsor group companies and their roles

| Sponsor group companies | Roles |
|--|---|
| Meiji Yasuda Life Insurance Co. and its group companies | Provides human resources and expertise in real estate investment, asset / property management |
| Mitsubishi UFJ Financial Group, Inc. and its group companies | Provides human resources and expertise in the financial and trust businesses |
| Kintetsu Group Holdings Co., Ltd. and its group companies | Provides human resources and expertise in real estate investment, asset/property management |

Organization



Overview of Asset Manager ②

Shareholders (as of 30 April 2019)

| | Name of shareholder | Founders of GAR | Investment in GAR | | Outside board members of GAR (part-time) (Job title holding concurrently) | Employees temporarily transferred to GAR (# of employees and job title) | | Financing for GOR | Outstanding Loan balance (million yen) |
|----|--|-----------------------|------------------------|-------------------|--|--|---|----------------------|--|
| | | | # of shares held | Percentage (*) | | | | | |
| | Meiji Yasuda Life Insurance Group | | | | | | | | |
| 1 | Meiji Yasuda Life Insurance Company | ○ | 800 | 10.0% | ○(General Manager, Real Estate Investment Dept.) | 2 | Executive Officer, REIT Management Dept. Assistant Manager, Real Estate Investment Management Dept. | ○ | 4,500 |
| 2 | Diamond Athletics, Ltd. | | 392 | 4.9% | | | | | |
| | Mitsubishi UFJ Financial Group | | | | | | | | |
| 3 | MUFG Bank, Ltd. | ○ | 400 | 5.0% | ○ (Executive Officer Managing Director , Head of Transaction Banking Division & Solution Products Division & Global Commercial Banking Planning Division MUFG Bank,Ltd.) | 1 | General Manager, REIT Finance Dept. | ○ | 33,400 |
| 4 | Mitsubishi UFJ Trust and Banking Corporation | ○ | 400 | 5.0% | ○ (Executive Officer, Corporate Consulting Services Division) | 1 | Assistant Manager, REIT Finance Dept. | ○ | |
| 5 | Mitsubishi UFJ Lease & Finance Company Limited | | 392 | 4.9% | | | | | |
| | Kintetsu Group | | | | | | | | |
| 6 | Kintetsu Group Holdings Co., Ltd. | ○ | 800 | 10.0% | ○(Director, Managing Executive Officer, Business Development Div.(Oversea Business) Tokyo/ Nagoya/Taipei Branch) | 1 | Assistant Manager, REIT Management Dept. | | |
| 7 | Kintetsu Insurance Service Co., Ltd. | | 392 | 4.9% | | | | | |
| 8 | Mori Building Co., Ltd. | | 800 | 10.0% | | | | | |
| 9 | Morikiyo Co., Ltd. | | 392 | 4.9% | | | | | |
| 10 | Mitsubishi Research Institute, Inc. | | 304 | 3.8% | | | | | |
| 11 | Sompo Japan Nipponkoa Insurance Inc. | | 304 | 3.8% | | | | ○ | 800 |
| 12 | The Hachijuni Bank, Ltd. | | 304 | 3.8% | | | | ○ | |
| 13 | The Joyo Bank, Ltd. | | 304 | 3.8% | | | | ○ | 500 |
| 14 | The Ashikaga Bank, Ltd. | | 304 | 3.8% | | | | ○ | 1,000 |
| 15 | Shizuoka Bank Limited | | 304 | 3.8% | | | | ○ | |
| 16 | The Chiba Bank, Ltd. | | 304 | 3.8% | | | | ○ | |
| 17 | The Hyakugo Bank, Ltd. | | 304 | 3.8% | | | | ○ | 1,500 |
| 18 | The Yamagata Bank, Ltd. | | 160 | 2.0% | | | | | |
| 19 | The Juroku Bank, Ltd. | | 160 | 2.0% | | | | | |
| 20 | Nanto Bank, Ltd. | | 160 | 2.0% | | | | ○ | 1,400 |
| 21 | The Hyakujushi Bank, Ltd. | | 160 | 2.0% | | | | ○ | |
| 22 | The Iyo Bank, Ltd. | | 160 | 2.0% | | | | ○ | 2,300 |
| | Total | | 8,000 | 100.0% | | 5 | | | 45,400 |

(*) Percentages of the ownership in GAR in proportion to the total shares issued.

New Website

Full of helpful information on GOR !

Take a 360° view of our property quality !

Great video of Minami Aoyama taken by drones !

Established a new page for individual investors !

<https://www.go-reit.co.jp/>

<TOP Page>



<Page for Individual Investors (Japanese only)>



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